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Daily Report

China

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Hong Kong

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General

Foreign Ministry Holds Weekly News Briefing

Correspondent Incident 'Unfortunate'

OW0406105692 Beijing XINHUA in English
1047 GMT 4 Jun 92

[Text] Beijing, June 4 (XINHUA)—A Chinese Foreign Ministry spokesman referred to yesterday's incident between a Chinese citizen and a Japanese correspondent which resulted from the latter insisting on filming in Tiananmen Square as "unfortunate."

Spokesman Wu Jianmin was speaking during a weekly press conference held here this afternoon, when asked to comment on the detaining of a few foreign correspondents on Wednesday in the square.

Wu said that according to relevant regulations foreign correspondents should apply in advance to the Office of Foreign Affairs of the Beijing Municipal Government when they wish to report on activities in or near the square, and are required to receive approval from the Management Committee of Tiananmen Square.

He noted that a few foreign correspondents conducted "illegal coverage" at the square yesterday since they failed to make proper applications in advance, and China's relevant departments had to handle the case according to relevant laws.

It was learned that all foreign correspondents detained were released later on Wednesday.

Wu reiterated that the Chinese Government protects the legitimate rights and interests of foreign correspondents according to law, and provides convenient access "for normal journalistic activities."

He advised foreign correspondents in China to abide by China's laws and regulations. This is in line with "international practices," he said.

Environmental Issues Viewed

OW0406093492 Beijing XINHUA in English
0928 GMT 4 Jun 92

[Text] Beijing, June 4 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that forests are very important to the protection of the global environment.

The spokesman, Wu Jianmin, made the remarks at a weekly news conference here this afternoon when asked to comment on U.S. President George Bush's call on all countries to increase their spending on the protection of forests.

The spokesman said it requires the developed countries to give financial support to the international action of protecting forests.

At the same time, he said, it also needs all countries to make decisions on the mechanism of protecting global forests at the United Nations Conference on Environment and Development.

'Concern' Over Gaza Strip Voiced

OW0406081892 Beijing XINHUA in English
0809 GMT 4 Jun 92

[Text] Beijing, June 4 (XINHUA)—Chinese Foreign Ministry Spokesman Wu Jianmin said here today that China concerns over the recent tension in the Gaza Strip.

At a weekly press conference here this afternoon, he noted that the Israeli authorities have blockaded the Gaza Strip for several days, bringing serious difficulties to the daily life of the Palestinian people and causing the further worsening of the situation there.

"We express our deep concern over this," he added.

The spokesman urged the Israeli authorities to lift the blockade immediately so as to make the situation return to normal as soon as possible.

Hong Kong Governor To Visit

OW0406075892 Beijing XINHUA in English
0752 GMT 4 Jun 92

[Text] Beijing, June 4 (XINHUA)—Governor of Hong Kong David Wilson will visit China's mainland from June 7 to 12, a Chinese Foreign Ministry spokesman announced at a press conference here today.

The Hong Kong governor has been invited by Lu Ping, director of the Hong Kong and Macao Affairs Office under the Chinese State Council, the spokesman, Wu Jianmin, said.

During the visit, the spokesman added, David Wilson will exchange views with leaders of China's relevant departments on issues of common concern.

ASEAN Invitation 'Positively' Considered

OW0406090392 Beijing XINHUA in English
0856 GMT 4 Jun 92

[Text] Beijing, June 4 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China will positively consider the invitation for participating in the ministerial conference of the Association of Southeast Asian Nations (ASEAN) this year.

Spokesman Wu Jianmin made the statement at a weekly press conference when he was asked whether Chinese State Councillor and Foreign Minister Qian Qichen will attend the conference.

Raul Manglapus, foreign affairs secretary of the Philippines, said recently that the ASEAN will invite a Chinese observer to attend the ministerial conference of the ASEAN to be held in Manila in mid July.

The spokesman said that Manglapus, also chairman of the Standing Committee of the ASEAN, had sent an invitation to Qian to attend the 25th ministerial conference.

He added that Qian last year attended the conference of the ASEAN foreign ministers held in Kuala Lumpur.

The Chinese side "will give positive consideration" to this year's invitation, the spokesman said.

Qian To Visit New Zealand, Australia

*OW0406082292 Beijing XINHUA in English
0816 GMT 4 Jun 92*

[Text] Beijing, June 4 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen will pay an official visit to New Zealand and Australia from June 15 to 20 at the invitation of Deputy Prime Minister and Minister of External Relations and Trade of New Zealand Don McKinnon, and Minister for Foreign Affairs and Trade of Australia Senator Gareth Evans.

This was announced at a weekly press conference here this afternoon by a spokesman of the Chinese Foreign Ministry.

Romanian Delegation To Visit

*OW0406080492 Beijing XINHUA in English
0752 GMT 4 Jun 92*

[Text] Beijing, June 4 (XINHUA)—The Romania-China Friendship Delegation from the Romanian Parliament, headed by Dan Martian [name as received], speaker of the parliament's House of Representatives, will pay a good-will visit to China from June 8 to 16 at the invitation of the Standing Committee of China's National People's Congress.

A Chinese Foreign Ministry spokesman made the announcement at a weekly press conference here this afternoon.

Daily: 'Largest' Debtors Should Help Environment

HK0406051092 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 4 Jun 92 p 6

["Special commentary" by Xiang Dong (0686 2639): "Those Who Owe More Debts Should Repay More—Written on Opening of Environment, Development Conference"]

[Text] The world environment and development conference, which is a focus of attention around the world, will have its curtain raised in Rio de Janeiro, Brazil. More than 100 heads of state and government leaders will get together, to specifically discuss how they can protect "our common future," that is, mankind's living environment, and this is the first such meeting in human history.

Since the appearance of human beings on earth, our planet's history can be regarded as a history of human efforts to conquer and utilize nature. However, when

human beings are proud of their achievements in transforming nature, they also discover with worries that in the course of creating a better world, the harmony between humans and nature has been upset. The deteriorating environment not only threatens existing human civilization, but also threatens the very existence of mankind itself.

Therefore, protection of the ozone layer, struggle against the greenhouse effect, management of acid rain and polluted waters, preservation of forests and biological species, prevention of soil erosion, and other similar problems have been put on the international community's important agenda.

However, regarding how to solve these problems, the international community has different opinions or even disputes. A very important question is: Who should take more responsibility in the area of environmental protection?

This question is not difficult. Whoever takes the lion's share from nature, and whoever owes the human environment the largest debt should take the main responsibility.

Then, who has the largest debt?

Let us look at several figures. The developed countries, which have 20 percent of the world's population, consume 80 percent of the output of world resources each year; since the beginning of industrial civilization, up to now, 75 percent of the gases causing the greenhouse effect were emitted by the developed countries, whose per capita emission of carbon dioxide is nine times the figure in the developing countries! The United States only has 4 percent of the world's population, but it consumes one-fourth of the output of mineral fuels in the world. There are many such figures, but the ones mentioned above suffice to illustrate that the developed countries' large-scale exploration and consumption of natural resources over a long time is the main reason for the current environmental problem. We may say that the great wealth of the developed countries is built upon the basis of accumulation of their large-scale looting of nature for several centuries. In the process, not only the environment of the developed countries has been polluted, but the developing countries' natural environment has also suffered tremendous destruction for that reason.

Up to now, the developed countries are still relocating the industries which cause serious pollution to developing countries, or even dump nuclear wastes, toxic chemicals, and harmful garbage on the developing countries. That is to say, the developed countries are still "exporting pollution" to developing countries. Due to the looting and exploitation in the past of the Western countries, and to the continuous existence of the unreasonable international economic order at present, the developing countries are generally poor today, and they cannot but accept the pollution offered by the developed countries, and cannot but continue to export their precious resources to the West at low prices. Here, we can

see the current environmental problem facing the developing countries certainly includes overly rapid population growth and improper economic development, but more importantly, it is caused by the old and new debts which the developed countries owe them.

Therefore, to protect mankind's living environment and to create a better future for everyone, the developed countries not only have to properly manage and protect their own environments, but have the responsibility to provide funds and transfer technology to the developing countries to help them to solve the problem of environmental protection; they should build a reasonable and just international economic order to help the developing countries to cast off poverty to eradicate the social cause of environmental destruction. Furthermore, protection of the earth, on which mankind has dwelled for a long time, and to prevent its environment from deteriorating and exploding, has a bearing on the existence and development of every person, country, and even all of mankind. The developed countries help to the developing countries in the area of environmental protection is a contribution the developed countries can make to the common good of all mankind, as well as an "investment" in their own interests.

Whoever owes mankind's living environment the largest debt has the biggest responsibility for protecting our common future.

Some knowledgeable persons in the developed countries already understand this, and people hope the environment and development conference in Rio de Janeiro can make satisfactory results in solving this crucial problem.

'Roundup' on DPRK Visit by U.S. Delegation

OW0306092592 Beijing XINHUA Domestic Service
in Chinese 1220 GMT 2 Jun 92

[Roundup by XINHUA reporter Gao Haorong (7559 3185 2837): "Korean-U.S. Relations Show Signs of Relaxation"]

[Text] Pyongyang, 2 Jun (XINHUA)—A 25-member delegation of the American Freedom Coalition led by former Congressman Richard Ichord, co-chairman of the coalition, began a six-day visit to Korea on 28 May at the invitation of the Foreign Affairs Commission of the Korean Supreme People's Assembly [SPA].

Among members of the delegation are three former undersecretaries of the U.S. State Department, including Holdridge who was in charge of East Asian and Pacific affairs; former congressmen and governors; and some influential personages. This is the "first time" that such a high-level U.S. delegation has visited Korea. According to Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea and chairman of the SPA Foreign Affairs Commission, the visit is a sign of the "goodwill and hopes of the two countries and two peoples to come into contact with each other."

During the visit, the two sides have shown a strong desire and sincerity to improve Korean-U.S. relations. Kim Yong-sun said: With the ending of the Cold War, improvement in relations between the two countries is "a matter of course." It "conforms not only with the aspirations and interests of the two peoples, but also the global trend for reconciliation, relaxation, and peace." Ichord said: The United States and Korea "today share a greater desire to improve relations than" their past differences in views and systems. The two countries "should forge new relations."

The two sides have had a "candid exchange of view" on issues of common concern, especially bilateral relations, and have deepened their mutual understanding with which the two sides "are pleased." Kim Yong-sun called this a "beneficial visit." Ichord believed that the visit "has signified the arrival of a new era in bilateral relations." He expressed the hope that a Korean delegation will visit the United States, and the two countries will establish embassies in Pyongyang and Washington in the near future.

A member of the delegation said it will submit a report on the results of the visit to President Bush.

Earlier this year Korea and the United States held the first summit in New York. In an interview with the WASHINGTON TIMES last April, President Kim Il-sung expressed hopes to improve relations with the United States; the Korean military recently handed over to the U.S. side the remains of 30 American soldiers who died in the Korean war. These are noteworthy and grateful signs of development.

In a statement issued upon arrival in Pyongyang, Ichord quoted a Chinese proverb as saying that "a thousand-li journey is begins by taking the first step." It is generally agreed there have been signs of improvement in the longstanding confrontation between Korea and the United States. Along with increasing exchanges and contacts and practical measures taken by the two sides, there will ultimately be a substantial improvement in Korean-U.S. relations.

United States & Canada

Editorial Terms Renewal of MFN 'Charade'

HK0406025592 Hong Kong SOUTH CHINA
MORNING POST in English 4 Jun 92 p 18

[Editorial: "No Need To Pick Out China for Punishment"]

[Text] Once again, just as the world's attention is focused on China's most sensitive anniversary, President George Bush and the U.S. Congress are locked in what has become a familiar brawl over the renewal of China's Most Favoured Nation (MFN) trading status. On the eve of the third anniversary of Beijing's bloody military crackdown in

Tiananmen Square, the President has announced his intention to renew MFN for another year. Leading Congressmen have vowed to overturn his decision.

As so often in American politics, and never more so than in an election year, a debate ostensibly about a matter of deep international concern—in this case human rights and arms proliferation—has been influenced by domestic politics, in particular the power-struggle between a Republican President and a Democrat-controlled Congress.

The battle will continue for weeks, as the Senate and the House of Representatives pass a joint resolution of disapproval, and jockey for the two-thirds majority needed to block the Presidential veto. Although the row will serve to keep the spotlight on China's poor human rights record, and its doubtful commitment to controlling arms sales, it will do little to enhance America's own reputation.

The annual threat to remove MFN status is not the correct strategy to raise public awareness in the U.S. about human rights. United Democrats' chairman Mr Martin Lee Chu-ming has travelled to Washington in the past to lobby for the continuation of MFN. Although many would support Mr Bush's view that withdrawal of MFN would elicit neither a faster pace of democracy in Hong Kong, nor more scope for human rights development in China, economic concerns are foremost in the territory's mind.

Congresswoman Nancy Pelosi, the leading anti-MFN campaigner, has described MFN renewal as a U.S.\$15 billion (HK [Hong Kong dollars] \$117 billion) anniversary present to China for June 4. What she failed to mention was that withdrawal would cost the Hong Kong economy considerably more.

Government estimates put the cost to the territory at HK\$123 billion. Even those who might believe in such crude sanctions as an effective method of improving human rights in China find that American double-standards on the use of the MFN weapon are hard to swallow.

The annual ritual of MFN status renewal is a charade. There are presently only six nations in the world which do not benefit from MFN status. These are Cuba, North Korea, Afghanistan, Laos, Cambodia and Vietnam. Since the collapse of communism in Europe, not only the member states of the former Soviet Union, but also such former tyrant states as Bulgaria, Albania and Mongolia have been added to the list of MFN beneficiaries.

Irrespective of other sanctions they may suffer, even some of the United States' least favoured nations—Iraq, Libya and Iran, to name but three—not only enjoy MFN status, but are spared the annual ordeal of a renewal debate.

China, on the other hand, faces the possibility of MFN withdrawal every summer. There are 16 other nations in

the same position, including some—but not all—of the new democracies and a dozen former Soviet republics. Unlike China, however, they are not the subject of regular pillorying by U.S. politicians attempting to impose ever more stringent and unrealistic conditions on renewal, which, under the so-called Jackson-Vanik Amendment, any country which curtails freedom of emigration can be deprived of MFN. Thus, if the President feels that extension of MFN will promote freedom of emigration from any of the 17 states on the list, he can recommend renewal.

Unfortunately, the President's deadline is June 3, which is embarrassingly close to the Tiananmen anniversary. Even if the President were to take an early decision as he did last year, the debate will continue through June 4.

What picks out the six non-MFN nations and China, however, is not their poor human rights record, but their communism. On MFN, as in so many other fields, the United States is stuck with increasingly anachronistic Cold war attitudes and legislation it will take years to alter.

By negotiating a bilateral trade deal with the United States, China was able to circumvent the 1951 Trade Agreements Extension Act, suspending MFN for all communist countries except Yugoslavia. However, the stigma of communism has been impossible to shake off.

As long as United States opinion-leaders remain narrowly focused on human rights in communist countries while ignoring the most appalling abuses by rightwing regimes, the Marxist states of the Far East will continue to suffer.

Correction to Columnist on MFN Status

CM04060103592

The following correction pertains to the item headlined "Columnist on Extension," published in the 3 June China DAILY REPORT, page 6:

Column one, paragraph six, first sentence, make read: ...have influence on and be affected by other things around.... (supplying additional words)

XINHUA Reports U.S. Sanctions Against Cuba

OW0306002092 Beijing XINHUA in English
2334 GMT 02 Jun 92

[Text] Bridgetown, Barbados, June 2 (XINHUA)—The Caribbean Shipping Association, the organization of port and shipping interests in the region, has expressed concern about U.S. plans to ban vessels that trade with Cuba and Haiti.

The association, which held its semi-annual meeting in the Cayman Islands last week, has issued a statement complaining that such actions could restrict free trade which the association works at to promote in the region, the Barbados-based Caribbean News Agency said.

U.S. President George Bush, seeking to tighten the more than 30-year U.S. trade embargo on Cuba, announced his intention to prevent ships that go to Havana from entering American ports.

At the same time, there have been calls for bans by Latin American and Caribbean countries on vessels which break the Organisation of American States trade embargo on Haiti.

The statement said these actions would effect on free trade in the region.

"Over the past 22 years, as a matter of principle, the Caribbean Shipping Association has been supportive of all actions and initiatives which reduce or remove restrictions and barriers to trade and has been working assiduously to develop and expand free trade with and within the Caribbean region," it said.

XINHUA Reports 'Higher' U.S. Job Losses

OW0306234492 Beijing XINHUA in English
2251 GMT 3 Jun 92

[Text] Washington, June 3 (XINHUA)—The U.S. Labor Department said today that 2.2 million payroll jobs were lost in the last recession.

It was one-third higher than the government's first job-loss estimate.

The new estimate, to be released tomorrow as part of the government's annual benchmark revision of its employment statistics, showed that 2.2 million jobs were lost between June 1990, the month before the recession officially began, and January of this year.

Under the old figures, the job loss for that same period had been put at 1.68 million, 32 percent below the new figures.

Officials of the department said they are still at a loss to explain how such a huge error could have been made, but they insisted that it was not politically motivated to make the recession appear less severe.

Private economists said the new estimate answered last year's puzzle of why confidence surveys showed Americans so fearful about the future when the government's economic statistics were depicting a mild recession.

Canada To Ratify Environment Pacts

OW0206164492 Beijing XINHUA in English
1628 GMT 2 Jun 92

[Text] Ottawa, June 2 (XINHUA)—Canada will ratify the biodiversity and climate agreements "as soon as possible" which are to be adopted at the Rio Earth Summit, Prime Minister Brian Mulroney said.

Mulroney, who became the first head of government to say definitely that he will sign the two documents, made the promise Monday when he was addressing a children's gathering in Ottawa.

By making that promise, Mulroney has distanced himself from U.S. President George Bush on the two key documents.

The United States said last Friday that it will not sign the Biodiversity Treaty because the text is "seriously flawed in a number of respects." The United States has also significantly weakened another key document to be adopted at the Rio Earth Summit: The Global Agreement on Climate Change.

Mulroney said that despite the refusal of the United States to sign the proposed convention on biodiversity, Canada will push for immediate action on this document.

He admitted to reporters after his address, "obviously when you've got an economy as rich as that of the United States, one that consumes as much as the Americans do—some 25 percent, with only 5 or 6 percent of the population—they've got a tremendous political impact on events like this."

"But this is not to say that the world has subcontracted its responsibilities on the environment to the United States. It has not," he emphasized.

Northeast Asia

Yang Baibing Leaves for DPRK 'Goodwill' Visit

OW0306101892 Beijing XINHUA in English
1910 GMT 3 Jun 92

[Text] Beijing, June 3 (XINHUA)—General Yang Baibing, member of the Secretariat of the Central Committee of the Chinese Communist Party (CPC), secretary general of the Central Military Commission and director of the General Political Department of the Chinese People's Liberation Army (PLA), and his party left here by train today on a goodwill visit to the Democratic People's Republic of Korea (DPRK).

Yang is invited by Marshal O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea, minister of the People's Armed Forces and director of the General Political Bureau of the Korean People's Army.

Lt. General He Qizong, deputy chief of the PLA General Staff is among the principal members of Yang's entourage.

Yang Baibing and his party were seen off at the railway station by General Chi Haotian, chief of the PLA General Staff, and Pae Yong-chae, minister counsellor the DPRK embassy here.

Zhu Rongji Meets Japanese Entrepreneurs

OW0206115592 Beijing XINHUA in English
1127 GMT 2 Jun 92

[Text] Beijing, June 2 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with Tadashi Sekizawa, president of the Fujitsu Limited of Japan, and his party here today.

The Fujitsu Ltd. mainly produces computers, telecommunication equipments and electronic components.

During his stay here, Sekizawa is expected to discuss further cooperation and participation in the development of new Pudong district in Shanghai with leading officials of relevant Chinese departments.

NPC's Lei Jieqiong Meets Japanese Guests

OW0206143892 Beijing XINHUA in English
1428 GMT 2 Jun 92

[Text] Beijing, June 2 (XINHUA)—Lei Jieqiong, vice-chairman of the Standing Committee of the National People's Congress (NPC) and acting president of the Chinese Association for International Understanding (CAIU), met with Koyama Akio, chairman of the Board of Directors of "Koshokai," a medical body corporate of Japan, and his party here today. They had a cordial and friendly conversation.

Chinese Minister of Public Health Chen Minzhang and Vice-President of the Caiu Zhang Xiangshan were present at the meeting.

Koyama and his party came here as guests of the CAIU.

Near East & South Asia**Li Peng Sends Flowers to Yasir 'Arafat**

OW0406082992 Beijing XINHUA Domestic Service
in Chinese 1413 GMT 3 Jun 92

[By reporters Kang Changxing (1660 7022 5281) and Ye Zaiqi (0673 0961 3825)]

[Text] Amman, 3 Jun (XINHUA)—On behalf of Chinese Premier Li Peng, Zhang Deliang, Chinese ambassador to Jordan, presented a basket of flowers to hospitalized President Yasir 'Arafat of the State of Palestine this morning. The Chinese premier extended cordial greetings to him and wished him early recovery.

President and Mrs. 'Arafat expressed their deep appreciation.

'Arafat arrived in Jordan on 31 May for a visit. He checked into Husayn hospital the next day to undergo surgery to remove a blood clot in his brain.

He is in stable condition and recovering after the surgery. He is expected to be discharged in a few days.

Iran Seeks Joint Project in Coal Industry

HK0306094592 Beijing CHINA DAILY in English
3 Jun 92 p 2

[By staff reporter Wang Yong: "Iran Seeks Co-op in Coal Industry"]

[Text] Iran's push to reconstruct its coal industry after its war with Iraq is unfolding potential niches for Chinese companies.

Mohammad Taqi Banki, vice-minister of the Ministry of Mines and Metals of Iran, is in China until Thursday [4 June] to survey the country's coal industry in terms of production and machinery.

His high-powered delegation arrived in Beijing last Thursday at the invitation of China's Ministry of Foreign Economic Relations and Trade (Mofert).

Banki will also meet Chinese officials from the Ministry of Energy Resources after visiting coal plants and research institutions in Beijing, Shanghai, Guangzhou and Taiyuan.

A Chinese company already has contributed to the coal industry's recovery in Iran.

The China National Overseas Engineering Corporation (COVEC) was the first Chinese presence in Iran in this regard when it signed a \$2.6 million worth contract last year for the Tabas Coalfield geological exploration drilling project.

The total contracted drilling footage was 20,000 metres, and 1,500 metres have been completed since the operation began in May.

The Chinese corporation is negotiating with Iran for three more projects, including the technical renovation of the Babnizu Mine in the Kerman Coal Area.

Iran also hopes COVEC will participate in the construction of a new, large-scale mine in the Tabas coalfield.

Moreover, COVEC has been asked to help Iran establish a coal design and research institute affiliated to the National Iranian Steel Company.

One of the purposes for Banki's visit is to see whether Chinese technologies and equipment can ensure the projects are successful.

Iran and China share similar geological conditions in many coal fields and Chinese mining methods are said to be better-suited to Iranian mines than most of Western countries.

China turned out 1.1 billion tons of raw coal last year, ranking first in the world.

Besides meeting domestic demands, the coal was exported to such countries as Japan, Korea, Britain, France, Italy, the Netherlands and Malaysia.

China has about 2,000 mines, 18 of which boast an annual output of 10 million tons each.

NPC Leader Wan Li To Meet Nepalese Delegation

OW0406034292 Beijing XINHUA in English
0227 GMT 4 Jun 92

[Text] Beijing, June 4 (XINHUA)—Wan Li, chairman of China's National People's Congress (NPC) Standing Committee, is expected to meet a Nepalese parliamentary delegation led by Daman Nath Dhungana, speaker of the House of Representatives of Nepal, here this evening.

The 13-member delegation is the first of its kind to visit China since Nepal adopted multiparty system in 1991.

It is expected that Wan will confer with Dhungana on development of the relations between the two parliaments and brief the guests on China's domestic situation.

Moreover, Chinese President Yang Shangkun will also meet with the delegation during the their stay in Beijing, it is learned.

Dhungana said before leaving Kathmandu that "relations between Nepal and China are now one of the best. We have a very happy political and economical relations with China, and we highly appreciate China's continued economic and technical cooperation for Nepal."

"We are visiting China with the goodwill of all the Nepalese people for the people of China," he said.

Dhungana and his party flew in Tianjin of China Tuesday from Kathmandu. They will arrive in Beijing this afternoon. The visitors will also travel to Shanghai, Hangzhou and Guangzhou while in China.

XINHUA Notes Syria, Egypt Confer on Lebanon

OW0306192592 Beijing XINHUA in English
1852 GMT 3 Jun 92

[By Gu Zhenglong]

[Text] Damascus, June 3 (XINHUA)—Syrian President Hafiz al-Asad held talks with Egyptian President Hosni Mubarak here today to discuss Middle East issues, especially the situation in Lebanon.

According to Egyptian diplomatic sources close to the Egyptian president, the Syrian and Egyptian leaders discussed the deteriorating situation in South Lebanon following repeated Israeli attacks, their impact on the peace process and ways of stemming the escalating tension.

They also discussed the Libyan-Western crisis, relations between Egypt and Iran, the attitude of the two countries toward the Damascus Declaration and prospects of coordination of the Arab stance toward the current events in the region.

The sources indicated that Mubarak's visit aims to seek ways to alleviate tension in Lebanon as well as the possible rapprochement of views between Syria on the one hand and the United States and Israel on the other in order to halt the military escalation and avert the expansion of military operations in Lebanon.

In retaliation for Hezbollah guerrillas' raids, Israeli ground and air forces have attacked Hezbollah targets in South Lebanon in the past two weeks, killing at least 25 people and wounding over 60 others.

Mubarak has had intensified contacts with President Al-Asad and Lebanese President Elias al-Hirawi in addition to his contacts with the U.S. Administration in order to ease the tension in South Lebanon.

Today's talks were prompted by the seriousness of the situation especially after Israel demanded that Syria undertake to disarm the pro-Iranian Hezbollah (Party of God) or Israel will do it by itself, while Syria has categorically rejected Israel's demand and held the Jewish state responsible for the growing tension.

Syria has about 35,000 troops in Lebanon under an Arab League mandate in 1976.

The Egyptian sources said the Syrian-Egyptian summit also centered on the effective promotion of coordination between the Arab parties to the peace process during the forthcoming phase, the positions of the co-sponsors of the peace talks regarding the issues discussed, and the circulating ideas on the resumption of the Arab-Israeli bilateral talks.

Meanwhile, well-informed Syrian sources pointed out that there was agreement in views during the Syrian-Egyptian summit talks on the necessity of condemning the Israeli military escalation and "the need to put an end to Israeli military aggressions against South Lebanon to avert the widening of the scope of military operations in Lebanon."

The two presidents also agreed on the necessity of exerting pressure to bear upon Israel to withdraw from South Lebanon in conformity with Security Council Resolution 425.

The Syrian and Egyptian sides also agreed on the necessity of making further efforts to contain the Libya-West crisis, prevent its escalation, and try to bring the parties of the conflict closer in order to reach an acceptable peaceful solution.

President Mubarak's visit to Damascus is taking place in the wake of a visit undertaken by Palestinian President Yasir Arafat to Damascus and a visit by Iranian Foreign Minister Ali Akbar Velayati to Damascus and Lebanon.

It is also taking place prior to the meeting of the foreign ministers of the Arab four parties—Syria, Lebanon, Jordan and the Palestine Liberation Organization—in Amman to unify the Arab position toward the current events and the peace process.

Political observers expect gradual relaxation of the military situation in Lebanon within the coming days. Such relaxation will provide the new Lebanese Government with an opportunity to deal with the economic situation and prepare for the forthcoming Lebanese general elections due to take place this summer.

West Europe

Chen Muhua Arrives in Finland for Talks

OW0306152992 Beijing XINHUA in English
1505 GMT 3 Jun 92

[Text] Helsinki, June 3 (XINHUA)—China's vice chairman of the Standing Committee of the National People's Congress, Chen Muhua, today met with Ilkka Suominen, speaker of the Finnish parliament, to discuss bilateral relations.

During the meeting, the two sides agreed that the two countries would further develop the friendly relations between the two peoples and shared the identical view that prospects for bilateral economic and trade relations were bright.

Chen, who has just wound up her visit to Poland, Hungary and Austria, briefed the speaker on the domestic situation and economic development in China.

Guangdong Economic Delegation Visits Portugal

OW0406101992 Beijing Central People's Radio
Network in Mandarin 1700 GMT 3 Jun 92

[From the "International News and Current Events" program]

[Text] Luis Mira Amaral and Luis Valente de Oliveira—respectively Portuguese minister of industry and minister of planning and territorial administration—said in Lisbon on 2 June Portugal would strive to promote economic cooperation between Portugal and China. Amaral and de Oliveira made this remark while meeting with a Guangdong economic delegation.

The two ministers also said: The concerned Portuguese governmental departments and enterprises are studying effective ways to promote bilateral economic cooperation and mutual investment. The Portuguese side spoke highly of Guangdong's achievements in development over the past few years and expressed great interest in economic cooperation with China, particularly with Guangdong.

Both sides also discussed a number of specific cooperation projects. The Portuguese side stressed it was willing to promote economic cooperation between the European Economic Community and China.

German Minister Urges Lifting Export Restrictions

OW0306211992 Beijing XINHUA in English
1445 GMT 3 Jun 92

[Text] Bonn, June 3 (XINHUA)—German Foreign Minister Klaus Kinkel said today at a meeting of the foreign policy committee of the Bundestag that restrictions on its exports to China should be lifted.

At the meeting, the committee also discussed the issue of selling three container ships to China through loans. This project was terminated by the Bundestag two years ago, but now the restriction of this project has been lifted.

XINHUA Notes Growing Eastern Berlin Poverty

OW0406061492 Beijing XINHUA in English
0520 GMT 4 Jun 92

[Text] Berlin, June 3 (XINHUA)—The number of people living on social relief in East Berlin rose by 70 percent to reach 21,000 between December 1990 and September 1991 and is increasing as long-term unemployed join their ranks.

The figure is disclosed in an investigative report called "Poverty in East Berlin," which was published here recently.

The report, written by two sociologists of the former Democratic Germany, points out that half of the workers of that country lost their jobs in 1989.

Although people on social relief represent only 7 percent of the unemployed, the trend is increasing.

In Kopenick, an industrial area in East Berlin, only 22 percent of the employees of six big enterprises have work to do.

The report says the number of unemployed in industry will grow in the coming years, although some measures, including studying, training and early retirement, have been adopted.

'Roundup': EC Leaders To Push Maastricht Treaty

OW0406054792 Beijing XINHUA in English
0451 GMT 4 Jun 92

["Roundup" by Ni Kongfu: "EC To Go Ahead With Maastricht Treaty Despite Danish Vote"]

[Text] Beijing, June 4 (XINHUA)—European Community leaders have vowed to proceed with the Maastricht unification treaty despite the dark cloud cast by its shock rejection in a Danish referendum Tuesday.

British Prime Minister John Major and Foreign Minister Douglas Hurd led the reaction, saying Denmark's "no" vote should not affect the ratifying process of other EC members.

They also ruled out a referendum in Britain on the treaty.

Danish voters rejected the treaty by the slimmest of margins with 50.7 percent of the electorate saying no to the EC blueprint for economic and political union, signed at Maastricht last year.

Danish Foreign Minister Uffe Ellemann-Jensen said Denmark would now seek to renegotiate parts of the Maastricht Treaty but admitted being pessimistic over the chances for success.

Portuguese Foreign Minister Joao de Deus Pinheiro was adamant in opposing renewed debate.

"There is no room for renegotiation of the treaty," he said.

In a joint statement, French President Francois Mitterrand and German Chancellor Helmut Kohl expressed their determination that France and Germany would ratify the treaty as originally scheduled.

They also urged other EC members to ratify the treaty by the end of this year.

French Foreign Minister Roland Dumas called the treaty "an enterprise that will not stop in its tracks."

"The position of France and Germany will be to continue the work we have started and apply the Maastricht accords in their totality to those who want them," Dumas said.

German Foreign Minister Klaus Kinkel echoed his French counterpart, saying other EC states must forge ahead with ratifying the treaty while leaving options open for Denmark to participate.

France and Germany have long led the push to European union.

European Commission President Jacques Delors said the other 11 EC members should go ahead with the treaty anyway.

Meanwhile, the Italian Government, while regretting the Danish vote, said Rome would continue to move towards economic and political union as outlined at Maastricht.

Portugal, which holds the current rotating EC presidency, said Tuesday night it would convene an emergency conference of all 12 EC foreign ministers to discuss the effects of the Danish vote.

In another development, the Irish Government announced after an emergency meeting it would hold its own referendum as planned.

"There is no question of calling off the June 18 poll," a spokesman said.

French President Francois Mitterrand also announced that France would vote on the treaty, even though the French constitution does not require such a step.

European Commission officials said the Danish vote would create legal obstacles for the treaty which needs the unanimity of all members to take full effect.

East Europe

Yugoslavs Say Economic Blockade 'Unacceptable'

OW0406064392 Beijing XINHUA in English
0558 GMT 4 Jun 92

[Text] Belgrade, June (XINHUA)—Yugoslavia's economy will hardly be able to endure the long-term economic blockade imposed by the international community, whatever steps it takes, participants in the Belgrade Economic Union predict.

The official news agency TANJUG reports them as contending at a meeting here today that the U.N. sanctions against Yugoslavia are one-sided and unacceptable.

The participants—from Belgrade's 60 major enterprises—have warned that the sanctions will have grave consequences for the nation, and that their striving to ease the economic crisis will not be effective in the short term.

Branko Brankovic, the president of the international department of the Yugoslav Foreign Ministry, spoke highly of U.N. Secretary General Butrus-Butrus Ghali's report pointing out that Croatia should also bear some responsibility for the armed clashes in Bosnia-Herzegovina.

He said the report should be put on the agenda of the U.N. Security Council and that it was likely to influence the amendment of U.N. Resolution 757.

A commentary released by TANJUG today notes that the Yugoslav federal government has agreed to comply with the security council's resolution, adopted on May 15, but it adds that the 14 items are not all aimed at Yugoslavia.

The commentary argues that the U.N. Secretary General makes clear that Belgrade has exerted no political control over the ethnic Serbian military forces in Bosnia-Herzegovina.

Meanwhile, the Croatian Government has expressed its support for the U.N. sanctions and called for military intervention against the "Serbian and Herzegovinan invaders."

The Croatian Government accuses Serbia and Herzegovina of using the former Yugoslav People's Army and illegal armed forces to continuously attack cities and towns of Bosnia-Herzegovina, of breaking ceasefire agreements and of obstructing the execution of the U.N. peace plan.

Another report says Bosnia-Herzegovina has also appealed for U.N. military intervention, while the republics of Slovenia and Macedonia have agreed to

comply with the U.N. action, but at the same time want compensation for economic loss arising therefrom.

In another development, the Romanian Government started today to implement the U.N. resolution on sanctions against Yugoslavia.

However, it said the implementation would cause the country serious economic loss and that Romania would reserve the right to demand compensation.

Serbian President Milosevic Ready To Resign

*OW0306234592 Beijing XINHUA in English
2316 GMT 3 Jun 92*

[Text] London, June 3 (XINHUA)—Serbian President Slobodan Milosevic said on Wednesday he would resign "if it is a price for lifting sanctions" on Yugoslavia.

This "would be the cheapest way," Milosevic said in an interview with Britain's ITN's Channel Four News, adding that resignation would be "no problem at all."

The United Nations Security Council last week imposed comprehensive sanctions against Serbia and Montenegro, the two remaining Yugoslavian republics, in an attempt to stop the fighting in Bosnia-Herzegovina.

Milosevic insisted that Yugoslavia have the right to decide its own future, and not be dictated to from the outside.

He said Serbia wanted to cooperate with the United Nations and not confront it. Foreign military intervention against Serbia would be unjustified, he said.

Political & Social

Protests, Detentions, Beatings Mark 4 Jun

Further on Arrests

HK0306104892 Hong Kong AFP in English
0957 GMT 3 June 92

[Text] Beijing, June 3 (AFP)—Two foreign journalists were beaten by police and arrested as they tried to film a Chinese who had unrolled a protest banner on Tiananmen Square here Wednesday, while a German reporter was also detained in a separate incident.

The Chinese, Wang Wanxing, 43, was also taken away by the police along with Todd Carrel, a reporter for the American television channel ABC, and Mike Nolan, a cameraman for Canadian Television (CTV).

The two westerners, both accredited to China, had their cameras seized and when they tried to recover them were beaten about the head by dozens of police and dragged by the hair and around the neck to a police vehicle.

The incident happened on the eve of the third anniversary of the repression of pro-democracy demonstrations on the huge square by Chinese troops.

In the general confusion, CTV journalist Jim Munson was able to get into the police vehicle to accompany the two men.

A Canadian embassy spokesman said they had contacted the foreign ministry and were "still waiting for an answer."

The incident was witnessed by other foreign journalists who were then shoved away by police or had their cameras snatched.

Some were also beaten with umbrellas carried by the plainclothed police to protect themselves from the sun.

Wang's banner, which was barely unfurled before being snatched away, read: "Deng Xiaoping owes me an apology" and demanded 10,000 yuan (1,800 dollars) compensation from the senior Chinese leader, who is said to have ordered in the troops in June 1989, killing hundreds, possibly thousands, of people.

It also said Premier Li Peng and Communist Party Secretary General Jiang Zemin had obtained power "unjustly."

Wang said he had twice been imprisoned, in 1976 and 1977, for having asked Mao Zedong and his successor Hua Guofeng to rehabilitate Deng, who only returned to the limelight in 1978.

In the second incident the German embassy here said Edgar Bauer, a China correspondent for the DPA news agency, was arrested in Tiananmen Square, but apparently not in connection with the other arrests.

The embassy said Bauer was arrested shortly after two Chinese were taken into custody, adding the whole thing happened "very calmly."

A witness said the two Asians were arrested in front of Bauer. One had tried to run away before raising his hands in surrender. Police also grabbed Bauer who shouted "I didn't do anything" as he was led away.

Police have been heavily reinforced in the capital particularly around Tiananmen Square and the university campuses to the northwest of the capital ahead of the anniversary of the crackdown.

Foreign journalists have been banned from filming in the square without a permit and have met with increased harassment from the police in the weeks leading up to the anniversary.

Local people have also been forbidden from holding any demonstration without obtaining official permission.

Notices appeared earlier this week on the Monument to the People's Heroes in Tiananmen Square saying anyone laying flowers, hoisting banners, or sitting or even laughing near the white-marble and granite obelisk would be prosecuted and punished.

Detained Journalists Released

OW0306133592 Tokyo KYODO in English
1304 GMT 3 Jun 92

[Text] Beijing, June 3 KYODO—Security authorities arrested Wednesday a lone protester who unfurled a banner in Tiananmen Square urging Chinese Leader Deng Xiaoping to apologize for the violent military clampdown there exactly three years ago.

Witnesses identified the protester as Wang Wanxin, 43, a Beijing resident who was detained after the 1966-76 Cultural Revolution for sending a letter to the Chinese leadership seeking political rehabilitation of Deng, then in disgrace. The banner unfurled by Wang in the vast square demanded the Beijing government pay him 10,000 yuan (240,000 yen) in compensation for his ordeals since being detained.

His arrest came on the third anniversary of the June 3-4, 1989 Tiananmen Square crackdown, when People's Liberation Army tanks and soldiers killed hundreds of protesters after being ordered by the government to suppress the pro-democracy demonstrations. Wang's banner urged Deng to recognize his responsibility as a Chinese leader for the bloodbath.

At least eight foreign correspondents, including two KYODO NEWS SERVICE reporters, who were observing or filming the scene, were forced into security cars and hustled away by officials. They were released later after the authorities confiscated videotape and other materials.

News reports said Wang has spent a decade appealing for his name to be cleared. They quoted him as saying that

speaking out against the authorities had also cost him his job. Wang's fate after his arrest is unknown.

Witnesses said two more men who appeared to be Chinese protesters were also hustled away and their whereabouts is unknown.

Tiananmen Square is under harsher security for the anniversary, with a greater number of uniformed and plain-clothes police present, although it is not cordoned off.

Students 'Jeer', Smash Bottles

HK0406021492 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 92 p 1

[By John Kohut and Geoffrey Crothall in Beijing]

[Text] Tiananmen Square was subject to strict police control yesterday as officers marked the eve of the third anniversary of the bloody 1989 pro-democracy crackdown by arresting at least 10 foreign journalists, and seizing a local resident after he unfurled a banner criticising senior leader Mr Deng Xiaoping.

Beijing University was off limits to outsiders, but early this morning students defied a heavy police presence to jeer and smash bottles in a protest against Chinese leaders.

Security at the university, nerve centre of the 1989 protests, was much tighter than last year—a sign that the authorities are still concerned about the possibility of renewed popular unrest three years after troops and tanks shot their way into the city to crush six weeks of protests for greater democracy.

But witnesses said that after midnight, a small number of students in dormitories on the southwest side of the campus hurled bottles from their windows in a symbolic protest against Mr Deng, whose name in Chinese sounds like "small bottle". The protest subsided after about 15 minutes.

Campus authorities had spent most of the day going from room to room and buying up all small bottles for 0.20 yuan (28 HK cents) each, sources said.

Student performances scheduled for last night at the People's University were cancelled at the last minute by campus authorities, and staff at the Beijing Teachers' College were specifically told not to go to the square today, or to wear white—the colour of mourning.

Tiananmen Square was the focus of a severe police crackdown earlier in the day as several overseas journalists were detained, including a cameraman for the Tokyo Broadcasting System who was brutally beaten by plain-clothes officers.

At least a dozen men attacked Atsushi Yamagiwa and an unidentified Asian man, presumed to be Chinese.

"Yamagiwa had done nothing more than try to videotape some of the plainclothes police when they attacked him," a witness said.

Yamagiwa, bleeding badly from the mouth, was detained for several hours before being released. He was treated at the Japanese Embassy clinic, needing numerous stitches in his face, after being denied medical attention while in detention.

The incident, which took place to the northeast of the Monument to the People's Heroes around 2.30 pm, [0630 GMT] was witnessed by German news agency correspondent, Edgar Bauer, and an Associated Press photographer. Both were held by police in the Forbidden City for about four hours and the German Foreign Ministry later lodged an official protest.

The violence in Tiananmen erupted at 1.45 pm when Wang Wanxing, a 43-year-old unemployed man who had previously been imprisoned on political charges, held up a banner near the Monument to the Heroes.

Within seconds, uniformed police grabbed him, pulling his arm behind his back, and taking him away.

American Broadcasting Corporation journalist Todd Carrel, Canadian Television reporter Jim Munson and cameraman Mike Nolan rushed to film the incident, but dozens of plain-clothes police blocked them and pulled away their cameras.

"Todd got to the scene first, but the small video camera he was holding got ripped out of his hand, Mike's camera was also grabbed from him," Munson said later.

"An argument ensued in which we demanded our equipment back. There was a lot of pushing and shoving and kicking on their part.

"Eventually, uniformed police arrived and bundled us into a jeep, kicking Todd in the head and back."

The three were taken to the Forbidden City and interrogated for three hours before their equipment was returned. At no point did the police admit the attackers were plain-clothes officers.

"They said the attackers were ordinary Chinese citizens who did not like having their picture taken," Munson said.

Labor Activists Detained

HK0406071092 Hong Kong AFP in English 0653 GMT 4 June 92

[Text] Beijing, June 4 (AFP)—Four labor activists including China's most prominent, Han Dongfang, were detained by police before a planned vigil to mark the Tiananmen Square crackdown Thursday, a friend said.

Han, 29, was released and escorted home early Thursday, but the three others, Zhou Guoqiang, Zhang

Jinli and Song Jie were still in police custody, the friend said. Official confirmation was unavailable.

It was unclear why the four were detained, the friend said, but it was apparently because of the planned demonstration.

The activists had planned to take a silent walk around Tiananmen Square Thursday to mourn the military crackdown on the pro-democracy movement on June 4, 1989.

If that was impossible, they were to mount the rostrum overlooking the square wearing black and white—the traditional colors of mourning—and stand there in silence.

Police had visited Zhou Guoqiang on Saturday and Monday and warned him against going ahead with the vigil. They told him he would be held responsible for any unrest.

The four were detained Wednesday, the friend said. The location of the three still being held was unknown.

Han Dongfang led China's first independent trade union during the 1989 movement. The government declared it illegal after the crackdown and jailed Han for 22 months, during which time he contracted tuberculosis.

The Chinese government has pledged to allow Han to go to the United States, but he has yet to be issued a passport.

Dai Qing Permitted Entry After Li's Directive

HK0406023992 Hong Kong SOUTH CHINA
MORNING POST in English 4 Jun 92 p 1, 11

[By Willy Wo-lap Lam and Daniel Kwan]

[Text] Chinese Prime Minister Mr Li Peng has personally intervened to allow dissident journalist Ms Dai Qing to return to China to visit her relatives.

Ms Dai, 50, who is on a Nieman Fellowship at Harvard University in the United States, has been stranded in Hong Kong since Saturday, when she was denied entry to China.

Mr Li's surprising decision was relayed to a local member of the Chinese People's Political Consultative Conference, Mr Xu Simin, late yesterday afternoon.

"The State Council has notified the Ministry of Public Security to tell Air China to inform Dai Qing she can fly back whenever there is a seat," said the telegram from the State Council General Office, which was relayed to Mr Xu through the Hong Kong branch of the New China News Agency (NCNA) [XINHUA].

On Monday, Mr Xu, a publisher and China trader who is also a member of the Council of Advisers to China, had sent a telegram to Mr Li asking him to re-consider Ms Dai's case.

"I told Premier Li that while, as a sovereign country, China could turn away unwelcome foreigners, its door should always be open to its own citizens," Mr Xu said last night. "Moreover, I also stated that Ms Dai was a patriotic intellectual."

Ms Dai, who has a booking on an Air China flight for Beijing on Sunday, said she was happy the Chinese Government had reversed its decision.

She said she wanted to thank Mr Xu and human rights lobbyist Mr John Kamm, who had also been campaigning on her behalf.

However, Ms Dai, a former reporter for the national paper GUANGMING DAILY [GUANGMING RIBAO], said Beijing's about-face would not change her.

"I will continue to speak my mind and carry out my professional duties in the two to three months that I will spend in China," she said.

As of last night, however, the Chinese authorities had not indicated whether they would let another Harvard scholar, Ms Gong Xiaoxia, return home.

Ms Gong, who was briefly involved with pro-democracy activities in Guangzhou in the 1970s, has been stranded in Hong Kong for the past week.

Ms Gong said last night she had written to the NCNA in Hong Kong to state her case, but she had yet to receive a reply.

Mr Kamm, however, who has lobbied for both Ms Dai and Ms Gong, said he was optimistic the Chinese authorities would treat the two cases in the same way.

"By letting Dai and Gong return, Beijing will have taken a step forward (in human rights)," Mr Kamm said.

A source said last night the decision to bar Ms Dai from China was made by a security department official without consultation with the other Chinese ministries.

"It is understood that units including the foreign ministry and the premier's office have a different opinion on the Dai case," the source said.

Chinese sources in Hong Kong said Mr Li had made the decision to improve the mainland's image in Hong Kong and overseas.

In speeches earlier this year, both patriarch Mr Deng Xiaoping and Mr Li indicated foreign-based Chinese intellectuals were welcome to return to China even if they held views different from that of the Government.

Ms Dai last night said she was not worried that after returning to Beijing she would be kept under surveillance by police.

Former Prisoner Links Release, Foreign Pressure

HK0406030192 Hong Kong SOUTH CHINA
MORNING POST in English 4 Jun 92 p 11

[By staff reporters]

[Text] Hong Kong resident Mr Lai Pui-shing said yesterday his early release from a Guangdong prison was due to pressure from foreign governments.

Mr Lai also dismissed claims he had embezzled funds destined for helping dissidents leave China.

"Had it not been for pressure from Britain and the United States, I would still have been in jail," he told the SOUTH CHINA MORNING POST last night.

After freeing Mr Lai and another Hong Kong resident, Mr Lee Lung-hing, last week, Beijing authorities said they had been given bail to seek medical treatment.

But Mr Lai looked physically fit yesterday.

Wearing a baseball cap to cover his shaved head, Mr Lai had vivid memories of his two-year prison experience.

"I was not tortured, but I must admit that the mental pressure is very tense," he said.

He said he and Mr Lee were kept in solitary confinement in Huaiji Prison and allowed two hours each day to tend vegetables they grew outside their cells.

"They have not beaten or forced me to write any confession," Mr Lai said.

"In my two-year prison life, I have written one self-confession admitting that I have broken Chinese laws due to my ignorance of the Chinese legal system."

He denied allegations that he had embezzled funds from the Hong Kong Alliance in Support of Patriotic Democratic Movement in China.

"From June to October 1989, I have received about \$20,000 which I used to smuggle 17 dissidents out of China—I have never taken any money myself," he said.

According to Mr Lai, Mr Chen Jiang, the driver who helped dissident leader Mr Wu'er Kaixi to escape, is now serving a four-year sentence in Huaiji.

"We became neighbours—Chen Jiang moved in after Lau Shan-ching left," he said.

Mr Lau, Hong Kong's best known dissident, returned to the territory last December after completing a 10-year sentence in China.

The names of Mr Lai, Mr Lee, Mr Lau and businessman Mr Luo Hai-sing were on a list of political prisoners presented by British Prime Minister Mr John Major to his counterpart Mr Li Peng during a visit to Beijing last September.

Despite his ordeal, Mr Lai expressed optimism that the mainland would eventually come out of the shadow of the June 4 massacre.

"I believe China has a future—I believe China is moving in the right direction," Mr Lai said.

"I hope June 4 would not happen in China again."

'Controversial' Film Released After 3 Years

HK0306054792 Hong Kong SOUTH CHINA
MORNING POST in English 3 Jun 92 p 10

[By Geoffrey Crothall in Beijing]

[Text] A controversial film by a young Chinese director, depicting the relationship between a mother and her retarded son, is to be shown publicly in Beijing for the first time, nearly three years after its completion, according to yesterday's BEIJING YOUTH DAILY.

The film "Mama" has won acclaim at the Berlin and Nante international film festivals but until now has not been released in China.

The director, Zhang Yuan, said yesterday he had not been informed of the film's release but was gratified to hear the public would finally be given the opportunity to see his work.

"As far as I am concerned, the more films that are released the better.

"('Mama') is certainly something the public should be allowed to see," he said.

The film's graphic portrayal of the problems faced by retarded children and their parents in contemporary Chinese society was for a long time considered "too disturbing" for domestic audiences, but the BEIJING YOUTH DAILY praised "Mama" as a "new concept" in film making.

"This is an evocative, tasteful and touching film which ushers in a new generation of Chinese film makers," the newspaper's reviewer said.

The decision to release the film now is seen as another sign of the gradual liberalisation of the arts in China.

Earlier this year, Beijing television showed a 25-part series entitled "Tales From The Editorial Department" based on the works of the enfant terrible of Chinese literature, Wang Shuo, an author who has routinely been condemned by the literary establishment for writing "literature for riff-raff, about riff-raff and by riff-raff".

However, it is doubtful if Zhang's latest film, "Beijing Bastards," will get favourable treatment from China's censors.

The film, which is in the final stages of production, depicts the life of young musicians in Beijing and features China's best known rock star, Cui Jian.

The film's anarchic portrayal of contemporary youth culture is a far cry from the guidelines laid down by Mao Zedong in his 1942 talks to the Yanan Forum, which have recently been revived by the Ministry of Culture's propaganda machine, and as such is unlikely to gain immediate release.

Feng Baosheng Urges End to One-Party Rule

HK0106042692 Hong Kong *THE STANDARD*
in English 1 Jun 92 p A-5

[By Stanley Leung]

[Text] A former Chinese diplomat, Feng Baosheng, who defected in London last March has called for "the end of one-party dictatorial rule" in China.

The call was made by Mr Feng, who is now a member of the outlawed Workers' Autonomous Federation of China (W AFC) based in London, days before the third anniversary of the 4 June Tiananmen crackdown.

Mr Feng, former first secretary at the Chinese Embassy in London, is still waiting for a reply from the British government regarding his application for political asylum.

According to Mr Feng's statement which was released by the W AFC, his reasons for defecting were purely political.

"I was forced to escape from the embassy after someone filed a complaint against me," he said.

Mr Feng said he would continue to fight for the end of dictatorial rule by a single party, that of the Communist Party, and strive to promote democracy and freedom in China.

The W AFC announced it would organise a number of activities to commemorate the 1989 movement.

On 2 June, the federation will send a delegation to Geneva to attend the International Labour Organisation conference there.

The delegation will raise the question of human rights of Chinese workers.

It will also urge the conference to condemn Beijing for violating workers' rights.

A protest rally will be staged outside the Chinese Embassy in London on 4 June.

The W AFC was established in London in 1990 after China banned the Beijing Autonomous Workers' Federation.

"It is the third anniversary of 4 June, a date which I will never forget," Mr Feng said.

"I would like to pay my respects to those democracy fighters who made the supreme sacrifice three years ago," he said.

Police, Army Seek 'Large Share' of Growth

HK0206072292 Hong Kong *SOUTH CHINA MORNING POST* in English 2 Jun 92 p 11

[By Willy Wo-lap Lam]

[Text] The police and military forces are highlighting their roles as "protectors" of reform in order to justify recruitment drives.

Chinese sources said the police, People's Armed Police (PAP), and the Army were seeking a large share of the economic pie now patriarch Mr Deng Xiaoping had authorised them to be the "escort" for his recently-announced policies of accelerated reform.

The sources said since the Tiananmen Square crack-down, the strength of both the regular police and secret police had been boosted, specially along the coastal cities.

While the Army has committed itself to a cut of half-a-million men in the 1990s, the strength of the PAP and both urban- and rural- based militia has been increased.

In an unusually frank dispatch yesterday, the NEW CHINA NEWS AGENCY (NCNA) [XINHUA] admitted police in the directly-administered city of Tianjin had boosted their numbers.

The excuse for the recruitment exercises was so it could help further Mr Deng's "new wave of reform".

"The police in the port city of Tianjin claim their crack-down on crime has made the city one of the safest for foreign visitors and investors," the official agency said.

A cadre of the Tianjin police, Mr Fan Shuyun, said they were "determined to help the city's programme of providing opportunities for foreign investment by keeping the streets safe and guarding convention centres where overseas visitors gather".

China analysts said a major goal of the police and secret police was to keep track of potentially anti-government activities by dissidents and "foreign agents".

They said police forces in the large cities had also been augmented to diffuse the growing number of industrial disputes, especially demonstrations by laid-off workers.

NCNA cited a go-slow campaign for better wages and conditions at a Japanese-funded enterprise, where workers were "persuaded" by police to negotiate with the management for a "satisfactory" settlement.

However, other sources reported that the police and the PAP in industrial cities were often deployed to forcibly disperse "trouble-making" workers.

At the same time, military officers in various regions have claimed their presence has meant a boost for reform.

NCNA quoted an army officer in Guangdong as saying "because of the existence of the Army, it is difficult for enemy foreign forces and members of triad societies to infiltrate (the province)".

The agency disclosed that heavily-armed PAP officers were routinely guarding major engineering projects as well as large joint-venture factories.

Difficulties in Implementing Deng Line Viewed

HK0306114692 Beijing ZHONGGUO XINWEN SHE
in English 0858 GMT 3 Jun 92

[Text] Hong Kong, June 3 (CNS)—In the wake of the dissemination of Mr Deng Xiaoping's talks during his visit to South China, people are focusing their attention on how the 14th Congress of the Communist Party of China (CPC), to be held in the last quarter of this year, the first sessions of the 8th National People's Congress (NPC) and the 8th Chinese People's Political Consultative Conference (CPPCC), to be held next spring, will implement Deng's Line with its new bold blueprint of reform and opening to the outside world, as well as how to create the rank and file of cadres who will implement this blueprint. These considerations are looked at in a signed article in the June issue of the MIRROR.

The article says that there have been various comments from overseas. Some saw a big obstacle for the top echelon of the CPC in implementing Deng's Line, a purely subjective and speculative view. Some have tried to divide the policy-making top echelon of the CPC into different parties based only on their stand regarding the "June 4 incident", which is a rigid way of thinking. The article recalls that when the six members of the Standing Committee of the Politburo were elected by the 4th Plenary Session of the Central Committee of the 13th Congress of the CPC, some people expressed concern over a situation where there was a stalemate of three against three. Authoritative sources then were confident that this would never happen and the only way of decision making would be 6 to nil. In spite of their differences in personal character, hobbies, and style of handling things, it is unimaginable that the group so prudently selected after the previous political hurricane could be divided into opposing parties.

In the wake of dissemination of Deng's Line, another aspect drawing people's attention concerns the party and government organs responsible for implementing the line. For this, the article quotes talks given by Mr Li Peng in which he said that the key to speeding up political restructuring is the change of the administrative function of government organs and the public functionary system which will be fully practised next year right across China on an experimental basis. The Director of the Organization Department of the Shandong Provincial Committee of the CPC, Mr Li Wenquan, proposed that present party and government organs should be cut by more than one third together with redundant personnel to create "small government with grand service" within three years' time.

The idea of setting up a public functionary system to eradicate the shortcomings of the present personnel management in party and government organs originated at the 13th Congress of the CPC. The preliminary draft of such a system, the article reports, classifies public functionaries into 15 classes. After the implementation of such a system, relevant salaries would be fixed in accordance with the position held, length of service, and individual contribution and achievements. A regular promotion system with a corresponding salary increase would be practised irrespective of promotion of position. Different levels of public functionaries would be recruited by different ways. Public functionaries newly recruited to non-leading positions in party or government organs would have to pass a public examination and undergo a one-year probation period. An unemployment insurance system would be established for those dismissed from their organ.

Mr Deng Xiaoping proposed that as economic construction developed, new requirements and new ways for promotion and management of personnel in different lines of business would have to be created with positions and titles awarded through examination, the article discloses. Meanwhile, Mr Deng also pointed out the necessity of speeding up the raising of leading talents straddling the century. Since a group of young and vigorous cadres with the "four qualifications" were chosen for leading positions at the party congress of 1985, seven years have passed and the leadership at various levels now seem to be too old. Under the new situation, they have to have higher political and professional requirements, resulting in many of them being unable to adapt to the new situation. With the expansion of opening up and the increase in international exchanges, the shortage of innovative and foreign-affairs-oriented cadres has been becoming more obvious. Precisely for this reason, Mr Deng Xiaoping stressed two points particularly, one being a correct ideological line and the other the construction of rank and file cadres. He suggested that a group of younger cadres enthusiastic for reform and creative should be elected to the Central Committee of the CPC at the 14th Congress. In order to meet the needs of the new situation in respect of the composition of the policy-making top echelon of the CPC, aside from the third generation leaders including Jiang Zemin and Li Peng, Deng Xiaoping has long stressed the importance of raising up leaders of the fourth and fifth generation, the article reports.

Jiang, Yang, Others Meet Leading Physicists

OW3105162792 Beijing XINHUA in English
1607 GMT 31 May 92

[Text] Beijing, May 31 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin, President Yang Shangkun and Premier Li Peng met with over 300 leading physicists at the Diaoyutai State Guesthouse here this afternoon.

Among the physicists were Yan Jici, Zhou Peiyuan, Zhao Zhongyao from China's mainland, Wu Ta-you from Taiwan, Nobel Prize laureates T.D. Lee and C.N. Yang, noted experimental physicist C.S. Wu and other physicists of Chinese origin from different parts of the world.

Jiang Zemin extended his congratulations to professors Zhou Peiyuan, Zhao Zhongyao, C.S. Wu and C.N. Yang for their 90th, 80th and 70th birthdays respectively this year.

"The past 50 years have seen a number of constant new breakthroughs and new progress in physics," said Jiang, "and many of them were made by the Chinese."

"Its of no consequence that these contributions were made by physicists from both sides of the straits and by overseas-based Chinese scientists. They all added to the glory and pride of the Chinese nation," Jiang said.

"We warmly encourage Chinese scientists both at home and abroad to continue to make contributions to Chinese scientific and economic development."

"In recent years, young and middle-aged Chinese scientists trained at home or abroad have made significant academic achievements," Jiang said.

"I hope the young generation will carry on the fine tradition of their predecessors which includes pursuing scientific truth and patriotism," he added.

"The 1990s is a critical decade for the development of China's economy and we must stick to reform and opening to the outside world," he said.

Attend Reception

OW0106022492 Beijing XINHUA Domestic Service
in Chinese 1442 GMT 31 May 92

[By Reporters Chen Jinwu (7115 6855 2976) and Shi Baohua (2457 1405 5478)]

[Excerpt] Beijing, 31 May (XINHUA)—A reception party for modern Chinese physicists was held this afternoon at the Fangfei Garden of Diaoyutai State Guesthouse. Over 300 leading physicists from China and abroad attended the reception.

Jiang Zemin, Yang Shangkun, Li Peng, Song Ping, Wen Jiabao and other leading comrades cordially met with more than 10 of the famous physicists attending the party, and had photographs taken with all the physicists attending the party to commemorate the occasion.

After the photographs were taken, General Secretary Jiang Zemin made a speech, warmly welcoming scientists in China and overseas to continue making contributions to China's science, technology and economic development, as well as to the revitalization of the Chinese nation. [passage omitted]

Jiang Remarks at Ceremony

OW3105181392 Beijing XINHUA Domestic Service
in Chinese 1430 GMT 31 May 92

[By Shi Baohua (2457 1405 5478) and Chen Jinwu (7115 6855 2976)]

[Text] Beijing, 31 May (XINHUA)—Party and state leaders Jiang Zemin, Yang Shangkun, Li Peng, and Song Ping met with over 300 domestic and foreign-trained physicists at the Diaoyutai State Guest House today. The physicists had attended a gala reception for contemporary Chinese physicists.

Comrades Jiang Zemin, Yang Shangkun, Li Peng, and Song Ping first held a cordial meeting with a dozen or so famous physicists at 1700. These physicists included renowned mainland physicists Yan Jici, Zhou Peiyuan, Zhao Zhongyao, Zhu Guangya, Wang Ganchang, and Wang Dezha; eminent Chinese-born physicists Li Zhengdao, Yang Zhenning, Wu Jianxiong, and Ren Zhigong from the other side of the Pacific Ocean; and famed Taiwan physicist Wu Dayou.

Afterward, Jiang Zemin and the others went to the Fangfei Garden Lawn to have a cordial meeting with the over 300 domestic and foreign-trained physicists who had participated in gala activities for contemporary Chinese physicists.

General Secretary Jiang Zemin spoke after a photo session with the physicists. He said: Physicists have constantly made new breakthroughs and new progress over the past 50 years. The children of China have made many contributions in this respect. Regardless of whether they originated on either side of the Taiwan Strait or are the work of scholars at home and abroad, these contributions are a source of honor and pride for the Chinese nation because they represent the latter's offerings toward the treasure trove of human knowledge. We would like to warmly invite scientists at home and abroad to make more contributions toward China's scientific, technological, and economic development, as well as toward the Chinese nation's rejuvenation.

He said: Science and technology are developing by leaps and bounds in the present-day world. As mankind enters an era of information and intelligence, and as our country moves into a new period of overall economic development, we should pay attention to research geared toward both socioeconomic issues and the laws of nature. This has always been our principle. The 1990's are crucial to China's economic development. We should maintain the reform and open policy and try to catch up with the rest of the world by working hard, studying, and making innovations on our own.

Jiang Zemin said: Assembled here today are quite a few young and middle-aged scientists. Young and middle-aged scientists, whether they were trained at home or abroad, have achieved remarkable academic successes in recent years. We are very pleased with these successes. We pin our

hopes on young people who embody our future. The heavy burden of scientific and technological development will surely fall on the shoulders of the younger generation. We need to have a large force of high-caliber young professionals who are dedicated to the cause of science and technology in China. I hope that the younger generation will emulate and inherit the fine tradition of scientists of the older generation in pursuing scientific truths, waging tenacious struggles, and showing a deep love toward their motherland. I also hope that academically successful young scholars abroad will contribute toward the motherland's development and prosperity.

Wen Jiabao, Zhang Jingfu, and Wang Zhaoguo attended the meeting today.

Jiang Inscribe Name for Hunan Children's Library

OW0106105092 Beijing XINHUA Domestic Service
in Chinese 0843 GMT 1 Jun 92

[By reporter Liu Chunxian (0491 2504 6343)]

[Text] Changsha, 1 June (XINHUA)—The new Hunan Provincial Children's Library was inaugurated today. The name "Hunan Provincial Children's Library" written by General Secretary Jiang Zemin was inscribed on the white marble wall on the left side of the library's gate.

The new library has a floor space of 7,000 square meters. It is China's largest children's library, with some 460,000 books and more than 600 periodicals; it uses the open-shelf system.

Yang Shangkun Attends Teachers Award Ceremony

OW3105144892 Beijing XINHUA Domestic Service
in Chinese 1216 GMT 31 May 92

[By reporter Zhou Shuchun (0719 2885 2504)]

[Text] Beijing, 31 May (XINHUA)—The Henry Ying Tung Fok Education Foundation has presented the Third Young College Teachers' Funds and Young Teacher's Awards to 231 teachers who have performed meritorious services in their jobs.

President Yang Shangkun and Vice Chairman Lei Jie-qiong of the National People's Congress Standing Committee attended the award ceremony held at the Great Hall of the People this afternoon.

The funds went to 81 teachers, while 50 and 100 other teachers respectively received the Young Research and Young Mathematics Teacher's Awards. They were selected by experts of the Advisory Committee from among 682 candidates. It is understood that these award recipients represent the cream of young teachers age 40 and younger.

Mr. Henry Ying Tung Fok, chairman of the Foundation, spoke at the ceremony: An excellent situation arising from reform and opening to the outside world is prevailing in the mainland today. The country has a

pressing need for talented people, especially young talented people for "succeeding our undertaking and meeting fierce competition and challenges in the future. The aims of the foundation is to recognize the talent of young teachers as early as possible."

Over the past five years, the Foundation has awarded science research funds to 202 young teachers and rewarded 331 young teachers.

Citing a recent important speech by Comrade Deng Xiaoping, Vice Chairman Teng Teng of the State Education Commission, said at the ceremony: "In accelerating economic development, we must rely on science, technology, and education." He added: "It is hoped that all will make a concerted effort to make concrete contributions to accelerating China's science, technology, and educational undertakings." He praised the foundation for its concrete contribution of providing research funds and awards to young teachers.

Beijing TV Interviews Yang Shangkun on Education

OW3105144192 Beijing Central Television
Program One Network in Mandarin 1150 GMT
31 May 92

[Interview with President Yang Shangkun with unidentified reporter at his residence on 31 May; from the "Observation and Pondering" program—recorded]

[Text] Reviewers and friends: Children's day, which falls on 1 June, is around the corner. On the eve of the festival, when we see the children in surrounding areas happily preparing to celebrate their own festival, we also think of those children in impoverished areas who cannot go to schools because they are poor.

According to statistics, in China's impoverished areas more than 1 million children leave school each year because they are poor. At present, the project of hope—a project for the development of children organized by the children development foundation of the Central Committee of the Communist Youth League [CYL]—has entered its second phase: activity of one million loving hearts. This means every person who is qualified to extend help may help a child who is deprived of education because of poverty by paying for the child's educational expenses during the entire period of elementary education. Of course, this activity will be able to help many children to return to school. What, however, is the fundamental task for uprooting the poverty that deprives children of education in China's poor areas? Today we arrived at the home of Comrade Yang Shangkun, president of the People's Republic of China, and interviewed him in connection with the relevant issues.

[Correspondent] President Yang, as a grandfather, how do you assess the project of hope? [video shows a closeup shot of a female reporter and President Yang Shangkun, both seated in the lawn with the president's house in the background]

[Yang Shangkun] I think the project of hope has been carried out very well. It was initiated by the CYL Central Committee and the Youth Foundation. In our country, about 10 million children are deprived of an education. This is a very serious problem, but at present it cannot be solved by relying on the state's efforts alone. Therefore, we must mobilize all forces in society, including individuals, to assist these poor children to enable them to receive an education. This is a project of vital and lasting importance to the country. This is a very good project which we ought to undertake.

[Correspondent] What do you think is the most important work to fundamentally eradicate the situation of children being unable to attend school due to poverty and to really reach the goal of this project?

[Yang Shangkun] It is necessary to view this question from two sides. On the one hand, by means of this project we should enable those children who presently are unable to attend school to be able to attend school before long. It is hoped that this project can make concrete achievements. We now have the loving-children activity. It is hoped we can expand the present achievements—in other words, we should give prompt help to those children who cannot attend schools at present. From the long-term point of view, we should enable all school age children to receive a school education. This is a long-term issue. Fundamentally, it must depend on economic development. If we do not develop the economy, it will be difficult to solve many problems. Now Comrade Xiaoping calls on everyone to promote economic construction in a more rapid manner and to push the economy to a new level. If we can achieve this, we shall be able to gradually and fundamentally solve the problem of children being unable to attend school.

[Correspondent] The key is still the development of the economy....

[Yang interrupts] Yes, the key is the development of the economy to make the country rich.

[Correspondent] President Yang, how old is your grandson and granddaughters?

[Yang Shangkun] I have a grandson and three granddaughters. Here is one. Come, come, come. Here is one.

[Correspondent] How old are you?

[Grandson] I am 11 years old.

[Yang Shangkun toward his grandson] Do you know her or not?

[Correspondent] Do you know me?

[Grandson] I know you.

[Correspondent] Is that so! Then do you also watch the Observation and Poundering Program?

[Grandson] I have seen it.

[Correspondent] Yeah. I want to thank you for watching it. [laughs] I am very glad to have such a young viewer.

[Yang Shangkun] He is most fond of watching television.

[Correspondent] It that so! I am very happy. [Correspondent toward the grandson] Then do you know that in our country there are a very small number of children your age who cannot afford to attend school because of poverty?

[Grandson] I know.

[Correspondent] Oh, you know. Then are you willing to make friends with them?

[Grandson] I am willing.

[Correspondent] You will. That's very good. We will make contact with some uncle or aunt of the project. [turning to President Yang] President Yang, tomorrow is 1 June—Children's Day. Do you have some words for children throughout the country?

[Yang Shangkun] I only hope that children throughout the country can all receive an education to a certain extent, and I wish that they can develop in a healthy manner—both bodily and mentally—so in the future they can become successors to the builders of socialism with Chinese characteristics. They have a great future before them. Our country and nation rely on them in the future.

[Correspondent, toward grandson] After hearing you grandpa's hope in you, you should study well and take physical exercise. In addition, you should also cultivate a fine mind. When you grow up, you can be a useful person for the motherland. It that correct? Good. [turning to President Yang] President Yang, thank you so much for granting me an interview. [toward the grandson] Thank you too.

Chen Yun Inscribes Name for Educator's Residence

*OW2905181592 Shanghai People's Radio
Network in Mandarin 2300 GMT 28 May 92*

[From the "Morning News" program]

[Text] A grand ceremony for opening the residence of Huang Yanpei [1878-1965, founder of the China Democratic National Construction Association] to the public was held in the Chuansha County government building on 27 May. Present at the ceremony were Sun Qimeng, vice chairman of the National People's Congress Standing Committee; and Chen Tiedi and Xie Lijuan, leaders of Shanghai municipal party committee and government.

Huang Yanpei was a distinguished democracy fighter, loyal patriot and pioneer of vocational education in China. His residence is located on Nanshi Street in Chengxiang Town, Chuansha County. Major repairs on the house, costing 310,000 yuan, started on 15 March 1991.

Comrade Chen Yun wrote the name of the repaired residence.

The comrades of the China Vocational Education Service contributed a bronze bust of Huang Yanpei.

Li Tieying, Bo Yibo, Song Renqiong Inscribe

OW0106202992 Hangzhou Zhejiang People's Radio Network in Mandarin 1030 GMT 1 Jun 92

[From the "Provincial News Hookup" program]

[Excerpt] This morning, over 1,500 alumni and distinguished guests from home and abroad joined the faculty members and students of Zhejiang Medical University in celebrating the 80th anniversary of the university's founding.

Party and government leaders Li Tieying, Bo Yibo, Song Renqiong, Yan Jici, and Su Buqing wrote inscriptions for the occasion. Provincial party, government, and military leaders Sun Jiaxian, Liu Yifu, (Wang Yaoping), Wu Minda, Li Yuhua, Ding Deyun, and Chen Yuexing attended today's celebration. [passage omitted]

Li Tieying, Others Receive Young Pioneers

OW0106132992 Beijing XINHUA Domestic Service in Chinese 1211 GMT 1 Jun 92

[By reporters Wang Yuelong (3769 1471 7893) Wang Wei (3769 5588)]

[Excerpts] Beijing, 1 June (XINHUA)—The Great Hall of the People became a huge children's castle today. Tens of thousands of children in the capital city, together with their teachers and parents, attended a gala party here to celebrate the 1 June International Children's Day. [passage omitted]

Yan Jici, Sun Dayong, Wu Jiaping, Lin Lanying, Yang Le, Feng Changgen, and other distinguished scientists in Beijing celebrated Children's Day with representatives of young pioneers this morning. [passage omitted]

In the afternoon, Li Tieying, Li Ximing, Geng Biao, Duan Junyi, Qian Zhengying, Rong Gaotang, and other leading comrades went to Hunan Hall of the Great Hall of the People to receive Beijing's top 10 young pioneers chosen on the eve of Children's Day. Later, Li Tieying and other leading comrades viewed theatrical performance with the children. [passage omitted]

Li Tieying Kicks Off Dragon-Boat Races

OW3105144792 Beijing XINHUA Domestic Service in Chinese 1315 GMT 31 May 92

[By RENMIN RIBAO reporter Zhao Xiangru (6392 4161 1172) and XINHUA reporter Luo Guojun (7482 0948 7486)]

[Excerpts] Nanchang, 31 May (XINHUA)—Today, the ancient city of Jiujiang, Jiangxi, was decked with bouquets of flowers, piles of silks, and colorful flags. After long preparations, the Sixth National "Quyuan Cup" Dragon-Boat Regatta and the China "Lushan Cup" International Dragon-Boat Invitational Tournament were opened here with a solemn, warm, and yet simple ceremony.

At 1500, Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor, announced the opening of the two races. [passage omitted]

Leaders attending today's opening ceremony also included Ni Zhifu, vice chairman of the Standing Committee of the National People's Congress; Hong Xuezhai and Ye Xuanping, vice chairmen of the National Committee of the Chinese People's Political Consultative Conference; Mao Zhiyong, secretary of the Jiangxi Provincial CPC Committee; and Wu Guanzheng, governor of Jiangxi. [passage omitted]

Bo Yibo, Song Renqiong at Children's Concert

OW3105012592 Beijing XINHUA Domestic Service in Chinese 1420 GMT 30 May 92

[Excerpts] Beijing, 30 May (XINHUA)—To celebrate the "1 June" International Children's Day, the State Council's Coordination Committee for Women and Children's Work today held a Beijing opera concert by children from seven provinces and municipalities at the Zhongnanhai Huaien Auditorium. [passage omitted]

Bo Yibo, Song Renqiong, Gu Mu, Wang Guangying, and other leading comrades viewed the performance and had photographs taken with the young performers to commemorate the occasion. They wished children in the whole country a happy holiday and good health.

Li Xiannian Sends Message on Cadre Exchanges

OW2905140892 Beijing Central People's Radio Network in Mandarin 1030 GMT 28 May 92

[By reporter Yang Guiming; from the "National Hookup" program]

[Text] A forum on the exchange of cadres between economically developed areas and poor areas, jointly held by the CPC Central Committee's Organization Department and the State Council's Leading Group for Economic Development in Poor Areas, opened in Beijing today. Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference and honorary president of the China Fund for Helping Poor Areas, sent a congratulatory letter to the meeting.

In the middle of 1990, President Xiang Nan of the China Fund for Helping Poor Areas and Chairman Han Peixin of Jiangsu Provincial People's Congress jointly decided to introduce an extensive exchange of cadres between

Jiangsu and Shaanxi Provinces aimed at helping poor areas to open up and develop their economies. In the following year, these two provinces separately selected 72 cadres for exchange and support of each other while taking their respective positions in the other province. After only a year of such exchanges with cadres scattered over various places in the two provinces, and through their efforts to make internal contacts and establish external links, negotiations for over 1,200 projects have been held and over 200 cooperative projects concluded, half of which have already yielded notable results. This has helped enhance lateral ties and economic exchanges between coastal and inland areas and has helped promote the economic take-off and development in the poor areas.

The mutual support system through exchange of cadres between relatively developed areas and poor areas has been affirmed and encouraged by leading comrades of the central authorities. Since then, this mutual support system has been extended continuously to more and more provinces and municipalities. It has spread from Jiangsu, Shaanxi, and Shandong Provinces to Beijing, Shanghai, and Tianjin municipalities and to Zhejiang, Guangdong, Fujian, Shanxi, Gansu, Yunnan, and Qinghai Provinces.

At a recent report meeting on the year-long work carried out by Jiangsu's cadres stationed in Shaanxi Province, Song Ping, member of the Standing Committee of the CPC Political Bureau, pointed out: Organizing exchanges of cadres between economically developed areas and poor areas in a planned way is an effective measure for helping to accelerate economic development in poor areas; it is also a good way of training cadres. Organizational work must serve economic development. Their way of doing the job is good and noteworthy.

Economic & Agricultural

Central Document No. 4 Stresses Market Regulation

HK0406035992 Hong Kong CHING CHI JIH PAO
in Chinese 4 Jun 92 p 8

[By special correspondent Chang Hua (1728 5478): "CPC Document No. 4 Changes Slogan, Stressing Main Role of Market Regulation"]

[Text] Recently, the CPC Central Committee issued Central Document No. 4, which clearly changed the economic mechanism with planning playing the main role into one with market regulation playing the main role. Thus, important changes have taken place in China's economic reform.

The "Central Document No. 4" recently conveyed by the CPC Central Committee indicates a starting point of overall readjustment of China's political and economic structures. The document urges overall opening up to the

outside world in both China's coastal areas and hinterland, marked reduction of the staff of party and government organizations, and greater decisionmaking and development powers for various provinces and municipalities. Based on Deng Xiaoping's instructions, it fully reflects the spirit of "Central Document No. 2" and implements the spirit of Deng Xiaoping's south China tour speeches in concrete terms.

The CPC Central Committee conveyed "Central Document No. 4" to the provincial and army-corps levels on 25 May. The 6,000-character document is divided into four parts: Change Mechanism, Expand Opening Up, Effectively Handle Several Issues, and Change Government Functions.

It points out that, in the future, not only the special economic zones, open cities, and economic and technological development zones in coastal areas, but also the hinterland and the areas along borders should accelerate their opening up pace. Moreover, the tertiary industry will also be opened, its proportion in the total industrial output value will be increased, and commercial circulation will be accelerated. Furthermore, central party and government organizations personnel will be reduced by a large number to solve the overstaffed organization problem.

Referring to the mechanism change, the document points out in definite terms that the original economic mechanism with planning playing the main role will be changed to one with market regulation playing the main role. Planning's leading position will be replaced, bringing about important policy changes in China's economic reform.

It was learned that China had never abandoned the planned economy structure's leading position since economic reform was carried out. It had been implementing a "policy of mainly relying on the planned economy while making market regulation subsidiary."

In the new round of accelerating the reform pace since the end of last year, "pushing enterprises into the market" has become the most fashionable slogan. A series of measures have been adopted, demanding the state-owned enterprises gear their production to the market, and the policy of "mainly relying on market regulation" seems ready to come out at a call.

After the policy of "mainly relying on market regulation" is made definite by Central Document No. 4, China's economy will develop toward a market economy more quickly.

Commentator's Article on Learning About Opening

HK0406073392 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 4 Jun 92 p 1

["Commentator's article": "Be Adept in Learning"]

[Text] It is necessary to be adept in learning if we are to expand the opening up to the outside world further and bring in more capital, technology, and advanced management experience from overseas to promote our country's four modernizations.

In carrying out the policy of opening up to the outside world and opening the country's doors, we are confronted by a very complicated international economic environment, brought into contact with fairly unfamiliar international economic operational regulations, and required to know many previously unheard of pieces of information in international economics and trade. In the past decades, our country may have made relatively big strides in opening up to the outside world, but these were principally limited to a number of special economic zones, dozens of open coastal cities, and other coastal regions. To the great majority of inland cities and towns, still very little is known about opening up to the outside world, and it is therefore extremely necessary to earnestly take make-up classes. Otherwise, embarrassing situations stemming from a lack of knowledge may be minor compared to the bigger problem of unnecessary losses inflicted on the state.

The opening up to the outside world involves a big body of learning. Even comrades in the coastal regions are only beginners, whose acquired knowledge and level are mostly equivalent to that of an "elementary class," while a handful have just made it to the "intermediate class," with a huge gap still separating them from the "upper class." To adapt to a new and more open situation, it is necessary to acquire more knowledge about opening up to the outside world and boost the ability to deal with this matter. It should be noted that "there is a mountain beyond this mountain and a heaven beyond this heaven." Hence, it is necessary not to become complacent and content with one's knowledge and skill.

In expanding the opening up, it is extremely necessary to study with an open mind the fine methods and experiences of others. In the past few years, some inland cities have learned from coastal cities, coastal cities from special economic zones, and the special economic zones from foreign countries, all of which brought about very good results. This practice should be continued. However, in learning from others' fine experiences, it is imperative to take into consideration the prevailing realities in one's locality and one's enterprise. For instance, in carrying out joint ventures with foreign businesses, it is necessary to take into full account the local conditions in resources, energy, communications, capital, and other aspects; conduct scientific verifications; and not blindly copy others' examples.

In opening up to the outside world, it is not only necessary to learn from others' experiences with an open mind, but also to sum up one's own experience at all times and to dare to create new and fresh ones as well. Practice serves as the best classroom as well as the best teacher. Comrade Mao Zedong once said: "Learning about war from war—this is our principal method."

Today, we can also say that learning about opening up from the opening up—this is our principal method. Therefore, in opening up to the outside world, one should be a bit bolder and dare to make experiments, and in cases where one is positive, one should boldly proceed with the experiments and explorations. Persist with what has been proven correct by practice; and rectify what has been found incorrect. In doing so, it will be possible to work out a correct path in opening up to the outside world.

Comrade Deng Xiaoping's theories on building socialism with Chinese characteristics is the glorious guide to implementing reform and opening up. Comrade Deng Xiaoping's important talks delivered early this year are of tremendous guiding significance to the further emancipation of the mind, deepening of the reform, and expansion of the opening up. Through repeated studies, profound comprehensions, and resolute implementation of Comrade Deng Xiaoping's important talks, one will be able to become bolder, broaden one's vision, acquire more ideas, and devise more ways. And the fruits obtained from the opening up to the outside world will certainly be more abundant!

'Round-up': Beijing Begins Expansion of Opening

OW0406075692 Beijing XINHUA in English
0734 GMT 4 Jun 92

[Text] Beijing, June 4 (XINHUA)—China has initiated a nationwide drive to accelerate the opening effort.

The decision to open to the outside world was made during the Third Plenary Session of the 11th Central Committee of the Communist Party of China which was held in late 1987. The program was initiated in southern coastal areas, including Guangdong and Fujian Provinces.

A ten year construction and development program has enabled the country to form a new economic structure in these areas which features special economic zones—open cities and zones along the coast, and coastal economic and technological development zones.

Since the early 1990s, China has accelerated reform and opening effort, and has initiated a series of new open policies. The effort has included the opening and development of the New Pudong Area in Shanghai, which is located at the mouth of the Yangtze River; attracting foreign funds to develop the Yangpu area in south China's Hainan Province; Sino-foreign cooperative oil and natural gas exploration in the South China Sea; construction of the Waigaoqiao Free Trade Zone in Shanghai; and the operation of a free trade zone at the Tianjin Port.

The Ministry of Foreign Economic Relations and Trade has also granted foreign businessmen permission to invest in the country's retail and consulting sectors.

Nonetheless, Chinese economists say that China still lags behind other countries and regions in the opening effort, and needs to be opened further to the outside world.

One often cited example is that present open zones are mainly located in coastal areas, with inland areas being much less involved in the effort to attract foreign investment. The economists also noted that the overall internationalization rate of industry is low, and the commercial, foreign trade, transportation, finance and insurance industries lag behind other sectors in the opening effort.

Opinions such as these have attracted the attention of senior Chinese leaders, and plans call for expanded opening featuring the adoption of many new measures, including opening cities along the Yangtze River, as well as border cities, counties and large inland cities, while at the same time expanding the direct use of foreign funding.

Informed sources say that the cities of Wuhu, Jiujiang, Wuhan, Yueyang and Chongqing, all which are located on the Yangtze River, will adopt preferential policies presently used by open coastal cities.

China also plans to open a number of border cities, counties and towns. In addition to Heihe, Suifenhe, Hunchun and Manzhouli cities in Heilongjiang and Jilin Provinces and the Inner Mongolia Autonomous Region, nine cities, counties and towns in Guangxi Zhuang, Xinjiang Uygur and Inner Mongolia Autonomous Regions as well as Yunnan Province will also be opened.

At the same time, the use of foreign investment will be expanded in the financial, trade, transportation, commercial and tourism sectors, as well as in tertiary industries.

Economists estimate that the new effort will attract more funding from foreign countries, as well as from Hong Kong, Macao and Taiwan, and greatly promote economic development.

Zhao Ziyang Adviser on Deepening Rural Reform

HK0406014492 Beijing ZHONGGUO XINWEN SHE
in Chinese 0910 GMT 2 Jun 92

[By reporter Xu Hong (1776 3126)]

[Text] Beijing, 2 Jun (ZHONGGUO XINWEN SHE)—Du Rensheng, a famous specialist in agricultural issues in China, said: The greatest success of China's reform in the last 10 years lies in the creation of new mechanisms and the creation of a situation in which new and old mechanisms are competing. This is something which did not exist in the former Soviet Union and East Europe.

He expressed this viewpoint at a forum on deepening rural reform held by the magazine XIN SHIJI [NEW ERA] yesterday. He said that the new mechanisms are mainly composed of township and town enterprises, Chinese-foreign joint ventures, and peasants' contracted household operation.

Du Runsheng said: China's reform, being different from those in the former Soviet Union and East Europe, first started in the rural areas where economic relations were relatively simple, and then extended to the running of a number of open economic zones in some coastal areas. These two steps resulted in the creation of the new market mechanism and the new enterprise mechanism before the large and medium-sized enterprises began their transformation. This gave rise to a situation in which there was competition between the new and old mechanisms.

Du Runsheng praised the dynamism and strong vitality of the township and town enterprises, the Chinese-foreign joint ventures, and the peasants' contracted household operation, which are representative of the new mechanisms. He said: In the course of economic adjustment and rectification, they shouldered a great many risks and burdens shifted to them. However, they did not decline but just continued to develop.

For this reason, Du Runsheng pointed out that China's in-depth reform should not only transform the old, but also needs to perfect and develop the new. The expansion of opening means that the new mechanisms will be expanded. He proposed that the state transfer some resources to develop township and town enterprises, peasants' contracted household operation, and Chinese-foreign joint ventures.

As for the next step for the rural reform, Du Runsheng proposed that "the socialist market economy be realized on a full scale in the vast countryside, and the 800 million peasants be allowed to make their own choices in the market environment." He refuted the leftist viewpoint regarding the "market economy." He said: The market economy is also the common cultural wealth of mankind, and all nations and all classes have the market experience and have made creative contributions to the market. This is culture, and also traditional culture.

Du Rensheng also pointed out that at present, the peasants have begun to raise funds on their own to construct small towns, so it is necessary to combine rural industrialization with rural urbanization and to greatly develop the tertiary industry so that more labor can be shifted from agriculture to other trades. He valued highly the creativity of the peasants in Wenzhou. He said that they not only created the market but also created "a peasants' town with peasants' money." Du Rensheng was referring to Longgang Town in Wenzhou. The new town, with a population of nearly 100,000 people, was built up from three fishing villages by local peasants who spent their own money on the project for eight years.

Urges Full Play for Market Forces

HK0306050392 Hong Kong SOUTH CHINA
MORNING POST in English 3 Jun 92 p 11

[By Willy Wo-lap Lam]

[Text] A prominent bourgeois-liberal reformist has re-emerged to urge that market forces be given "full play" in the villages.

And the central Government is poised to upgrade the Agriculture Ministry to an Agriculture Commission that will oversee agricultural reforms including the "defreezing" of grain prices.

At a seminar in Beijing, the former director of the Rural Policy Research Centre of the Communist Party, Mr Du Runsheng, said further reform in agriculture hinged on the growth of private-sector units including rural enterprises, joint ventures and family-run plots and businesses.

A key adviser to former party boss Mr Zhao Ziyang, Mr Du was subjected to heavy criticism after the 1989 Beijing massacre and had since maintained a low profile.

Speaking at the seminar on Monday, Mr Du urged the state to pour more resources to private-sector concerns.

"Let the socialist market economy have its full play in the villages," the official CHINA NEWS SERVICE [ZHONGGUO XINWEN SHE] yesterday quoted Mr Du as saying.

"Let 800 million peasants make their own choices in a market environment".

Mr Du, who was almost kicked out of the party in 1990, further urged that peasants be given the autonomy to build up entire new towns.

He cited the town of Longgang in Wenzhou, Zhejiang Province, which was financed and erected by peasants in eight years' time.

Responding to patriarch Mr Deng Xiaoping's critique against "leftism", or remnant Maoist ideas, Mr Du slammed conservative cadres who were afraid of market forces.

"Being a common wealth of mankind, the market economy can be used by any nation and any class," he said.

Deemed the "guru of market reforms", Mr Du has a large following among Beijing's intellectuals, and his re-emergence will likely encourage other social scientists to speak out for more reforms.

Meanwhile, the Chinese media has reported that the State Council was mooting a series of new reforms in agriculture.

They include lifting of all price controls on grain as a prelude to price reform for other types of agricultural products.

The Government will also help in the formation of conglomerates of private enterprises in villages and towns. These will be given more autonomy in business, including marketing their goods overseas.

Rural entrepreneurs will also be encouraged to set up joint ventures with Hong Kong and foreign businessmen.

Most significantly, the Agriculture Ministry might be upgraded to an Agriculture Commission, which will co-ordinate agrarian development with such other units as the commerce, foreign trade and finance ministries.

State Councillor Mr Chen Junsheng and Agriculture Minister Mr Liu Zhongyi are being groomed as candidates for minister of the new commission.

Seminar Studies Enriching Rural Population

HK0206081592 Beijing CHINA DAILY
in English 2 Jun 92 p 4

[By staff reporter Li Hong: "Towns Building To Increase Rural People's Wealth"]

[Text] China's policymakers are facing a big issue—how to increase the wealth of the country's 800 million rural population.

Government reform think-tanks reckon the answer is simple: "Erect enough towns where industry can prosper, jobs are numerous and people better off."

The prosperous rural inhabitants in the coastal provinces of Guangdong, Jiangsu, Zhejiang and Shandong have made their counterparts in the vast hinterland and west jealous.

But, what the westerners should envy is the easterners' creativity.

These were the conclusions drawn by a national seminar on the social and economic development of rural towns and villages in Beijing last week.

At the unprecedented gathering of wealthy, entrepreneurial, hardworking farmers in the main coastal areas, the central government and its think-tanks lost no time summing up their experiences and expanding them to the vast western regions.

Government officials were exhilarated when they heard a report from the State Statistical Bureau that the number of "100-million-yuan (of output value) townships" in China had exceeded 2,000. Eight years ago, only Jiangsu Province reported six such towns.

During the seminar, experts from the Ministry of Agriculture and the State Council Development Centre said wealthy townships and villages will double within two years, and total industrial production in the countryside will make up half of China's output by 2000.

Economic analysts say the increase of better-off rural towns will forward China's rural industrialization and urbanization.

Chinese towns now number more than 60,000, more than double that 10 years ago. They have provided jobs

for more than 150 million rural people, the Ministry of Construction told the seminar.

These mushrooming and prospering towns help stem seasonal influxes of the redundant rural work force into big cities.

Delegates agreed that further development of rural towns could cure the soaring rural labour surplus, another headache for the government.

As the country's arable farmland decreases steadily from 1.63 billion mu (108 million hectares) in 1952 to the present 1.43 billion mu (95 million hectares) and the rural population grows, about 200 million farmers now have nothing to do, which the Ministry of Agriculture believed is "a hidden bomb".

Government officials are especially afraid that densely populated areas such as Sichuan, Henan, Anhui and the west, where conditions are harsh and people look to more children to care for the aged, may "ignite the fuse".

Senior government figures, including former Minister of Agriculture He Kang, former Minister of the State Economic Commission Lu Dong and He Guanghui, deputy minister of the State Commission of Restructuring the Economy, made urgent calls at the seminar for western areas to learn from the east.

They cited the wealth-building book of a fledgling town called Longgang—"Town of the Dragon"—in Zhejiang Province as an example.

The development formula of the local government was simple: grant a residence permit and licence to anyone with some money and the courage to open up a factory or other business in the town.

The farmers-turned-entrepreneurs will face minimum government interference. In return, they will build up the town, creating new jobs and wealth for less prosperous people.

Xu Dongbin, owner of a firm in Longgang, China's first experimental town set up by peasants, said he had never dreamed of living together with his three children in a six-storey apartment building with 32 rooms, including six bathrooms.

And Dong Guangshi, who used to be a farmer and now is a blanket maker, was tired of climbing all the steps to his apartment on the fourth floor so has applied to the local government for a piece of land to build a two-storey villa with a swimming pool and Karaoke salon.

Now the town, already crowded with 60,000 residents, faces a labour shortage and is recruiting farmers from nearby Jiangxi and Anhui provinces.

The philosophy of Longgang, according to the head of the town, Li Qitie, is "the countryside won't be stable without farming, not vibrant without commerce, and never be well-off without industry."

'Expert' Discusses Reform in Rural Areas

HK0306014892 Beijing ZHONGGUO XINWEN SHE
in English 1311 GMT 2 Jun 92

[Text] Beijing, June 2 (CNS)—The greatest success of the decade of reform in China has been the creation of a new mechanism and the formation of competition between the old and new mechanisms, something which did not happen in the former Soviet Union and the eastern European countries, according to the noted Chinese expert on agricultural matters, Mr Du Runsheng in remarks he made at a forum on deepening of reform in rural areas sponsored by the New Era magazine yesterday. He said he believed that the main body of the new mechanism is composed of township enterprises, Sino-foreign joint venture enterprises and the household contract responsibility system in rural areas.

Mr Du said that China's reform, unlike that of the former Soviet Union and the eastern European countries, started from the simpler economic relations of the rural areas and the setting up of a batch of opening zones in the coastal areas, thus creating a new market mechanism and enterprise mechanism before the start of reform of medium- and large-sized enterprises, thus forming a situation of competition between the new and old mechanisms.

Mr Du highly praised the activity and vitality of the new mechanism represented by township enterprises, Sino-foreign joint venture enterprises and the household contract responsibility system. He pointed out that they had shared big risks and burdens during the process of rectification and the improvement of the economy, but in spite of this they had continued to develop instead of buckling under.

Mr Du proposed that during the process of deepening reform, China, while reforming the old mechanism, has to consolidate and develop the new mechanism. He suggested that the state set aside a certain portion of resources to develop and strengthen the mainstay of the new mechanism, namely the township enterprises, the Sino-foreign joint venture enterprises and the household contract responsibility system.

As regards how to deepen reform in the rural areas, Mr Du suggested letting the socialist market economy have full play there and let the 800 million peasants make their own choice in the market environment.

Mr Du also suggested the integration of industrialization and urbanization of rural areas by encouraging the peasants to set up townships at their own expense and to greatly develop tertiary industry so as to absorb more of the labour force liberated from agriculture.

Commentary Lauds Shift to Tertiary Industry

OW0206140092 Beijing XINHUA Domestic Service
in Chinese 0800 GMT 2 Jun 92

[Economic commentary by reporter Li Anding (2621 1344 1353): "Shift to Tertiary Industry—A New Thinking for Industrial Structural Readjustment—XINHUA headline]

[Text] Beijing, 2 June (XINHUA)—Pioneers—this is how a responsible comrade of the State Council praised a Beijing business enterprise group for buying out a factory. The group bought the factory not for its products or equipment but because of its good location in a densely populated area. The enterprise group has generously spent tens of millions of yuan on converting the factory into a large shopping mall, and it retained all the factory workers.

The event merits praise because it provides a new thinking for readjusting China's industrial structure—shifting the production factors of industrial enterprises to the tertiary industry.

In the present world economy, the ratio of the tertiary industry has become an indicator of a country's level of development. The development of the tertiary industry in our country was once obstructed by our emphasis on production and neglect of commodity circulation. In the late 1970's, the number of commercial outlets in some large- and medium-sized cities was even smaller than the early post-liberation years. The Bund in Shanghai was a world-famous business district with very high land prices, but many bank buildings and stores there were once turned into warehouses and no attention was paid to the value of geographic location at all. Over the 10-plus years of reform and opening up to the outside world, the tertiary industry has gained ground rapidly in our country, but its structure is still far from being scientific and rational. The ratio of the tertiary industry in the national economy currently exceeds 60 percent in developed countries, but it is less than 30 percent in our country.

Today, the whole country is implementing Comrade Deng Xiaoping's important talks, enhancing the degree of reform and opening up to the outside world, and accelerating economic development. However, irrational economic structure is obstructing our economic development. An analysis of our economic growth rate shows that the growth rate of the tertiary industry is noticeably lower. In 1991, we increased the GNP by 7 percent and industrial production by 14.2 percent, but the growth rate of the tertiary industry was only 5.2 percent, showing a serious imbalance. Industry, especially processing industry, advanced alone, resulting in many unmarketable goods. Although more unmarketable goods mean more output value, they actually mean poor economic returns. In 1991, the state subsidies to industrial enterprises that suffered losses were as high as over 30 billion yuan. To improve the situation, it is necessary to readjust the industrial structure and vigorously

develop the tertiary industry, in addition to improving management. In the second half of 1991, losses suffered by industrial enterprises dropped 7 percentage points compared with the end of June, thanks to the efforts made by the government to exchange market information, open up new commodity circulation channels, promote sales, and properly close down or merge some industrial enterprises, suspend their production, or make them switch to the manufacturing of other products.

For a considerable period, industries, particularly the processing industries, have rushed in headlong and built many repetitive projects, showing that old bad practices die hard. There are as many as a thousand automobile enterprises in China, more than the total number of automobile plants in the world, but our country's total automobile output is still lower than the output of a large foreign plant. Perhaps we also have more color televisions, refrigerators, and washing machine plants than any other country, but most of those enterprises have the common problems of small output, low technological level, poor economic efficiency, and an overstock of products. In the course of readjustment over the last two years, we have paid attention to closing down or merging some processing industry enterprises, suspending their production, or making them switch to the production of other products. However, we usually rely on administrative means to let an enterprise with good economic efficiency annex an enterprise with poor economic efficiency in the same trade. Such a merger is usually an annexation of small enterprises by large enterprises, and it does not help the structural readjustment. The crux of the problem is the failure to make rational use of production factors.

It is undeniable that the industrial department has built many repetitive projects and is generally overstaffed. Under such a situation, how should we readjust the industrial structure? Some people with insight believe that the readjustment will yield only limited results if it is confined to the inside of industry, because the efforts to do away with the "three irons" and to optimize organization will create surplus personnel. How do we resettle them? Where do we find the money to set up new enterprises? In addition, there are not many ways out, and high-tech industries cannot be developed overnight. We cannot make all color television plants switch to the production of video recorders, nor can we make all refrigerator plants switch to the manufacturing of air conditioners. We will have greater freedom and room in readjusting industrial enterprises and their products if we step out of the confinement of industry. At present, more and more people on the industrial front are turning their attention to the tertiary industry.

The tertiary industry is an area that can create economic returns without producing tangible products. It includes such trades as commerce, banking, transport, telecommunications, information, trade, insurance, tourism, recreation, real estate, repair service, security service, and consultancy—there is a vacuum in many of these fields in China. The tertiary industry yields greater

economic returns with less investment and can employ more people than other industries. In the course of structural readjustment, we should change the practice of internal readjustment and converting some existing industrial buildings, personnel, and funds into the tertiary industry. In this way, we will be able to kill two birds with one stone by solving the overstaffing problem of industry and saving a large amount of initial investment for the tertiary industry at the same time. This is a feasible way to make structural readjustment and will create good prospects for accelerating our economic development.

Commentary on Progress of Real Estate Financing

OW0106120892 Beijing XINHUA Domestic Service
in Chinese 0315 GMT 1 Jun 92

["Economic commentary" by reporter Wang Yingchun
(3769 6601 2504)]

[Text] Beijing, 1 June (XINHUA)—As China is gradually proceeding with its housing reform, its real estate financing business is beginning to grow, and there are broad prospects for its development.

The basic requirements of China's housing reform are to gradually transform the existing system of distributing public housing as a form of welfare to a system of distributing cash wages. Inhabitants obtain the ownership of houses or the right to use the houses by purchasing or renting them, so housing will be pushed into the market of consumer goods and the use of housing funds will be in a healthy circle of investment and production. This reform will not only promote the development of China's real estate business, but also will provide new room for the financing business. During the past few years, various specialized banks have relied on their own strength to vie with one another for entering the real estate field. They provided financial services such as raising funds and providing loans with a view to gaining a share in the real estate financing business.

As this reporter has learned, the People's Construction Bank of China, the Industrial and Commercial Bank of China, the Agricultural Bank of China, and other specialized banks have started their real estate financing businesses to varied extents, with financing the purchase and construction of commodity housing as the main service. They are adding more kinds of service to expand the business. The services available now include: housing savings and loans for residents, housing savings and loans for enterprises and projects, loans for developing commodity housing, savings and loans for housing reform funds, issuance of bonds on behalf of enterprises, settlement of accounts, and provision of information concerning housing reform. The banks also have set up hundreds of real estate development companies one after another to directly take part in real estate business, and have achieved marked success.

The Construction Bank took advantage of its familiarity with capital construction and was the first to enter the

real estate field. Since 1985, this bank has increased its investments in real estate development enterprises in various localities at a rate of 1 billion yuan or more in loans per year. By the end of 1991, the bank had provided real estate development enterprises loans totaling 36.873 billion yuan in circulating funds and issued housing construction bonds worth 2.26 billion yuan on behalf of enterprises. So far, some 3,000 state-run development enterprises having accounts at this bank have constructed 252 million square meters of commodity housing, which could solve about 5 million households' housing problem. In addition, the Construction Bank also has introduced the service of housing savings and loans to individual residents. By the end of 1991, it had provided loans totaling 4.6 billion yuan for constructing and purchasing houses to urban residents who could afford it, and had absorbed 9.56 billion yuan of housing savings deposits from residents, with a surplus of 650 million yuan. The Industrial and Commercial Bank, the largest specialized bank in China, has also offered the services of collecting funds, providing loans, and settling accounts for housing deals to all sectors. To date, it has provided a total of 8 billion yuan or more in special housing loans; helped enterprises, staff, and workers to purchase and construct some 6,000 square meters of commodity housing; and absorbed 4 billion yuan of savings deposits for this purpose.

Financial experts noted: Despite the fact that China's real estate financing business is still in its rudimentary stage, it has fairly broad prospects for development. Judging from its development trend, the patterns of real estate investment will undergo a fundamental change as the reform goes further and a new multisubject and multichannel investment system that involves governments, units, and individuals will be formed. The investment in real estate will become the most thriving part of the investment in fixed assets. This will push China's real estate financial business into a stage of overall development.

State To Put \$2.5 Billion Into Railways in 1992

HK0106021492 Beijing CHINA DAILY in English
1 Jun 92 p 1

[By staff reporter Xie Yicheng: "Full Steam Ahead on 13.6B- Yuan Rail Projects"]

[Text] The State will pump 13.6 billion yuan (\$2.5 billion) this year into railway construction, 47.6 percent more investment than last year.

Localities also will channel 1.1 billion yuan (\$203 million) to support 10 railway joint projects essential to local economies.

The Ministry of Railways revealed 43.8 percent of the money is earmarked for 516 kilometres of new lines, 270 kilometres of double-tracking on existing lines. Also, 358 kilometres of single lines, 327 kilometres of double lines and 631 kilometres of electrified lines are expected to come into service this year.

The ministry will spend 4 billion yuan (\$727 million) on locomotives and rolling stock.

In the first four months this year, 1.2 billion yuan (\$222 million) of construction had been completed.

Delays in construction had resulted from abnormal weather early this year and the vacation during the Spring Festival, ministry officials said.

But 21 key projects are proceeding smoothly after the injection of 940 million yuan (\$174 million).

So far this year, rail authorities have purchased 153 new locomotives, 477 passenger coaches and 4,444 freight wagons at the cost of 947 million yuan (\$175 million).

The newly-completed Second Bridge spanning Qiantang River in Zhejiang Province and the Shanshui-Maoming railway in Guangdong Province passed State appraisal in March.

Four pairs of passenger trains and 2,000 road vehicles use the bridge each day.

Construction on the second phase of the Datong-Qinhuangdao railway is expected to be completed by the end of this year, when it will be capable of hauling 60 million tons of coal annually from Shanxi Province out to Qinhuangdao, the world's largest coal terminal.

The first phase of the 653 kilometre line went into operation in 1988.

The 252 kilometre Houma-Yueshan railway should be completed by 1994.

Since 1990, the ministry has spent 920 million yuan (\$170 million) and finished half the railway, designed to transport 20 million tons of coal from Shanxi Province to south China.

Workers have completed the main part of the Shaanxi section of the 500-kilometre electric line linking Baoji, in Shaanxi province, and Zhongwei in the Ningxia Hui Autonomous Region.

The railway, with 10 million tons of freight capacity will help the country exploit oil and coal resources in North-west China and speed up economic development there.

Tough work on the new 827 kilometre Nanning-Kunming railway in South China is also in full swing.

Numerous geological problems need to be overcome as bridges and tunnels will make up 30 percent of this route.

This key project, likely to take five years and cost 5.2 billion yuan (\$962 million yuan), will yield some 30 million tons of freight capacity and become a shortcut connecting resource-rich southwestern provinces with coastal areas of South China.

Economic Paper on Transport's Technical Upgrading

OW0106043792 Beijing XINHUA in English
0420 GMT 1 Jun 92

[Text] Beijing, June 1 (XINHUA)—In order to meet the needs of the rapid economic development, China has made great efforts to speed the technical upgrading of transport facilities, according to today's ECONOMIC DAILY [JINGJI RIBAO].

The stress is on the development of containerization and bulk and integrated transportation which is the trend in current world transport modernization.

Since the beginning of the 1980s, the Chinese railway, highway, aviation, economic and trade departments have invested huge amounts of funds in construction of ports, airports and other transport facilities.

In the past decade the central government injected 650 million yuan (130 million U.S. dollars) to promote technical upgrading of transport and in development of containerization, bulk and integrated transportation.

Last year the country handled 18.34 million containers totalling 67.72 million tons of goods, a 13-fold increase in a decade. Bulk cement topped 31.15 million tons and the integrated transport volume of 77.33 million tons was 50 percent higher than that of 1986.

The country now has over 30 ports handling container business, over 70 container air routes, and 352 railway container transport agencies.

Daily Reports Shenzhen Appraises Enterprises

OW0206053492 Beijing XINHUA in English
0506 GMT 2 Jun 92

[Text] Beijing, June 2 (XINHUA)—Shenzhen City has conducted a comprehensive appraisal of more than 20,000 enterprises based on international practice, the "PEOPLE'S DAILY" reported today.

The appraisal is the first of its kind in Shenzhen, one of China's earliest special economic zones in Guangdong Province. The evaluation looked at the sale value, revenue, taxes and profits plus export and import volumes.

According to the daily, 330 enterprises in manufacturing, trade and tourism were listed for good economic efficiency.

On sales value the Shenzhen Kangjia Electronics Co. Ltd. ranked first with total sales reaching 1.09 billion yuan last year.

Based on taxes turned to the state, the Shenzhen Cigarette Company was top of the list with 86.73 million yuan last year.

Shenzhen's duty-free shop achieved profits of 167 million yuan and ranked first in its section.

All signs show the "marching toward the east" to be very forceful. According to statistics, Shanghai's light industry enterprises have invested several billion yuan in Pudong during the past two years. Seven small processing zones have been established there, including light industry, electronics and machinery, biological fermenting, chemical products for daily use, food processing, leather wares, and household electric appliances. Now more than 100 enterprises are applying through concerned departments for entry into Pudong, with a total investment of more than 10 billion yuan.

The "great east-going force" of Shanghai's light industry enterprises has three main characteristics.

First, many of those enterprises produce famous brand products. The more than 40 large plants and companies which have established or will soon establish "bases" in Pudong include the Shanghai Bicycle Company; the Meilin Food Processing Plant; a number of plants which produce famous brand watches and clocks, chemical products for daily use, paper, leather and household electric appliances; the Yongsheng Gold Pen Plant, the Fenghua Ballpoint Pen Plant; the Zhuangchen Cosmetics Plant; the Shanghai No. 1 Pencil Plant; the Shanghai Coffee Plant; the Shanghai Electric Iron General Plant; and the Asia Shoes Plant. The Shanghai Bicycle (Group) Company—which produces "Yongjiu" brand and "Fenghuang" brand bicycles—has moved its "headquarters" to Pudong and plans to manufacture various high grade bicycles in small serial production for international markets. The company has signed a cooperation agreement with a foreign firm to quickly establish a joint venture which will be capable of manufacturing 1.5 million to 2 million bicycles per annum for export. The company will eventually establish a relatively complete assembly system for exporting bicycles, with its headquarters in Pudong and its bases on the west side of the river.

Second, many enterprises will operate on a large scale. The Shanghai Industrial Sewing Machine Plant—being the largest industrial sewing machine enterprise in the country—has decided to invest 200 million yuan to build a new plant and establish a base for conducting important scientific research, production, operation, and export in Pudong. The Shanghai Refrigerator Compressor Plant also plans to invest 700 million yuan to build a new compressor plant in Pudong. It was learned that enterprises under the Shanghai No. 1 Light Industry Bureau alone will initiate 10 projects, with some 100 million yuan per project, during the "Eighth Five-Year Plan" period, including the production of pulp, food products for children, cosmetics, detergent, and electric light sources [dian guang yuan 7193 0342 3293]. By the end of the "Ninth Five-Year Plan" period, a number of modern light industry enterprises geared to the needs of the world will be established in Pudong.

Third, many enterprises adopt advanced technologies. Their strategic goal is to actively employ new and high

technologies to transform traditional industry and promote the upgrading of products. The fermenting industry in Shanghai has decided to move two alcohol plants to Pudong. The project will use 80,000 square meters of land with a total investment of 160 million yuan to establish a small district for producing food products, alcohol, protein fodder, citric acid, and other new type fermenting products. The food industry has swiftly rented land with a total area of 180,000 square meters to establish a small district for producing tea drinks, fast frozen food products, natural fruit and vegetable juices, and convenient lunches. At present the industries concerned have already started operation in the two small districts. Enterprises under the Shanghai No. 2 Light Industry Bureau plan to invest some 3 billion yuan to build 45 projects in Pudong and set up 60 joint ventures. Fuzzy technology [mo hu ji shu 2875 4739 2111 2611] as well as other new and high technologies will be used in producing computers, automatic wash machines, water heaters, air conditioners for home use, and other small household electric appliances.

Why are those light industry enterprises so eager to enter Pudong? Their answer is brief and clear: We cannot afford to lose this opportunity in order to again enjoy the good reputation of "items made in Shanghai!"

National High-Tech Groups Play Role

OW0306024392 Beijing XINHUA in English
0205 GMT 3 Jun 92

[Text] Shanghai, June 3 (XINHUA)—High-tech groups from other parts of China have entered the Pudong new area in Shanghai, the largest industrial city in China.

The groups under the State Education Commission include 33 national colleges, universities, science and technology research institutes, and research institutes from the Commission of Science, Technology and Industry for National Defense.

Most of their products are high-tech including photoelectric survey and biological projects. They have also developed scientific and technological equipment and supplied consulting services.

The Jinqiao Export Processing Industrial Zone has so far attracted 46 projects valued at 600 million U.S. dollars. Preparations are underway to attract more universities, science and technology research institutes to develop new and high-tech products.

Shanghai Stock Market Records Healthy Development

OW0306125292 Beijing XINHUA in English
1220 GMT 3 Jun 92

[Text] Shanghai, June 3 (XINHUA)—Prices on the Shanghai Stock Exchange—one of the country's two stock exchanges—have soared 1,000-fold compared to the original prices when it opened in December 1990.

In the same period the turnover at the stock exchange reached 8.5 billion yuan while the total turnover over the previous five years stood at a mere 600 million yuan.

The sudden wakening of the local stock market is attributed to the rapid growth of the Shanghai Stock Exchange. In the period from 1986 through 1990 there were only two kinds of shares available for investors, and there was no stock exchange.

Since the stock exchange was set up, 15 kinds of shares have been listed. Controls have been lifted gradually to allow the free functioning of demand and supply.

As the share prices are subject to market regulation local investors are becoming more aware of the risks involved in dealing in shares. As a result, investors are paying more attention to the performance of the stock-issuing enterprises.

Meanwhile, the exchange has so far admitted 81 members from outside Shanghai, and units and individuals from other parts of the country now account for 20 percent of the total turnover. In addition, the country's first special shares for overseas investors were floated on the Shanghai Stock Exchange in February.

Shanghai Launching Special Anti-Crime Campaign

OW0406030092 Shanghai People's Radio Network
in Mandarin 1000 GMT 3 Jun 92

[From the "News and Weather" program]

[Text] From June to September, Shanghai Municipality will conduct a special campaign centering on eliminating drug use, drug trafficking, cracking down on prostitution, patronizing of prostitutes, hoodlums, and other social evils.

The municipal committee on comprehensive management of social order held an enlarged meeting today to arrange this special campaign.

The municipality cracked a total of 114 drug taking and drug trafficking cases last year and arrested 94 criminals. During the January-April period of this year, 326 people involved in 255 cases of prostitution and patronizing of prostitutes were arrested. At the same time, the municipality took action against women soliciting customers in hotels and privately-owned bars, thereby effectively maintaining order in public places.

Ni Hongfu, deputy secretary of the Shanghai Municipal CPC Committee, spoke at the meeting. He pointed out the need for strict investigation, management, and punishment during the special campaign. He called for cracking down on drug use, prostitution, and pornography; thoroughly eliminating factors that cause crime; resolutely stopping drug use in its embryonic stage; severely punishing drug pushers and traffickers; checking the spread of prostitution and patronizing of prostitutes and the evils of soliciting customers in public places; and strictly punishing hoodlums.

Wang Chongji, vice chairman of the Shanghai Municipal People's Congress, and Vice Mayor Liu Zhenyuan took part in the meeting.

Large, Medium Rural Firms Growing in Zhejiang

OW0306142692 Beijing XINHUA in English
1414 GMT 03 Jun 92

[Text] Hangzhou, June 3 (XINHUA)—Nowadays in east China's Zhejiang Province rural enterprises are no longer merely small potatoes compared to state-owned firms, thanks to the ongoing economic reform that has enabled rural industries to boom.

Local statistics show that many farmers run factories which are as big as their state-owned competitors.

To date, the province has 144 township- and village-run enterprises that have reached the national standard for large or medium-sized enterprises in terms of output value.

In Zhejiang 21 rural factories turn out an annual output of more than 100 million yuan (about 18 million U.S. dollars) each. In addition, 1,360 firms have surpassed the 10 million yuan mark each and 3,199 companies turn out five million yuan-worth of products a year each.

The above-mentioned 3,000 firms, though taking up less than one percent of Zhejiang's total township and village firms, are the backbone of the province's rural industries, as they produce about 50 percent of the entire taxes and profits of those industries.

Among the 200 top-performance enterprises cited by the provincial governmental departments concerned, 48 are owned by townships or villages—about 24 percent of the total.

The provincial and local governments have implemented preferential policies, such as those concerning supply of raw materials, energy and loans, to encourage the growth of these firms so as to cultivate a powerful leading force for developing the rural economy.

Furthermore, government departments concerned are trying to get some of these firms to combine into enterprise groups in order to increase their competitive ability.

Central-South Region

Guangdong Technology Sells Well Overseas

OW0406081292 Beijing XINHUA in English
0737 GMT 4 Jun 92

[Text] Guangzhou, June 4 (XINHUA)—Southern China's Guangdong Province has reaped large profits from the export of technology.

According to the provincial official in charge of foreign trade, in 1978, the province initiated a planned program to export technology.

In 1991, the province concluded 58 transactions valued at over 44.62 million U.S. dollars, a dramatic increase over 1978 exports of just over 1.67 million U.S. dollars.

At present, technology related projects are being exported to more than 20 countries and regions.

The official noted the technology has been welcomed by businessmen in developing countries, especially technology related to the exploration and mining of gold, coal and manganese, as well as for the production of cement, rosin and prawn feed.

A number of developed countries, including Canada, Japan, the United States and Australia, have also exhibited interest in purchasing technology from and joining in technical cooperation ventures with the province.

According to the official, the export of technology has helped to boost the province's export of labor services, raw materials and intermediate products.

Recent statistics show sales of equipment in 1991 rose by 63 percent over the previous year's figures.

Establishment of Guangzhou Bonded Zone Approved

HK0306130592 *Guangzhou Guangdong People's Radio Network in Mandarin* 0400 GMT 26 May 92

[Text] A few days ago, the State Council approved the establishment of bonded zone in Guangzhou, which is located at latitude 2 degree N of the northeastern part of the Guangzhou Economic and Technological Development Area. The eastern side of the bonded zone borders on Dong Jiang, its southern side is adjacent to a special overhead railway line in Jinsha Port, and its north-western side is close to (Hengjiao) He. The bonded zone covers an area of 1.4 square km.

Establishment of Shenzhen Investment Funds Planned

HK0306074792 *Hong Kong SOUTH CHINA MORNING POST in English* 3 Jun 92 p 3

[By Ivan Tong]

[Text] Investment funds are to be set up in Shenzhen to buy into China's securities markets and provide a new investment channel for the mainland's public and corporations.

The unprecedented move by the Shenzhen authorities seems to be motivated more by the need to restore order in the fledgling stock market than the desire to further market development.

It is understood that Shanghai authorities will follow suit if the experiment succeeds.

Shenzhen stock exchange deputy chief executive Yu Guogang said in Hong Kong yesterday the Shenzhen authorities had approved two investment funds.

He said investors could buy into a broad range of securities, instead of wasting time queuing up for a very limited number of shares.

Authorities fear the soaring Shenzhen stock market, which features long queues and gang fights, is becoming a gambling centre for locals.

Mr Yu believes the funds will be attractive to investors.

Expected to have an initial size of 100 million yuan (about HK\$141 million) each, the two funds will be targeted at Chinese individuals and corporations.

Financial institutions authorised by the government will be responsible for running the funds.

Mr Yu said the funds would not be confined to Shenzhen's shares. They would be authorised to invest in securities such as 'A' shares and bonds in markets in China.

Pending details on the funds' structure and forms of management, Mr Yu said the funds would be characterised by a combination of "socialist and international features."

About 31 broking firms from outside Shenzhen had been approved as members of the Shenzhen exchange. They could deal in 'B' shares for clients in other parts of China.

So far, 15 'A' shares have been listed on the Shenzhen exchange, with price-earnings multiples ranging from 42 to 105.

Mr Yu said that compared with Hong Kong's mature international market, the mainland's was embryonic.

However, he said, the government would refrain from undue interference and investors should have the sense to make their own judgements.

Chin Tung executive director Eugene Yang welcomed the establishment of investing funds as intermediaries for the growing number of mainland investors.

Fidelity Investment Management (Hong Kong) director Lee Kon-chung said it was logical for the Chinese authorities to set up funds for local investors.

However, although it was too early to say whether the innovation would be successful, he noted that in markets which were speculative in nature, investors were more inclined to select their own favourites than buy investment funds.

He also said there would be insufficient stocks in Shenzhen for a normal fund portfolio.

Shenzhen Simplifies Local Firms' Import Practices*HK0306094892 Beijing CHINA DAILY in English
3 Jun 92 p 2*

[By staff reporter Li Zhuoyan: "Shenzhen Simplifies Import Procedures"]

[Text] Shenzhen—Opening the door isn't good enough for this laboratory of China's experiment in reform. They want to make it even easier for those with money to walk in.

To lure more investment, Shenzhen has simplified import procedures for local firms. As of this month, all foreign-funded enterprises in the city no longer need to obtain the municipal government's approval for importing goods to be used in their businesses, a spokesman said. Instead, they can directly declare to customs by providing the contracts for the imported goods.

Goods included in this exemption are the production equipment, spare parts and office equipment used by foreign-funded enterprises or the representative offices of overseas businesses, and living necessities needed by their foreign staff, except for those items under State import quota controls.

If the cooperation terms of the joint ventures expire, these firms can also transfer their tariff-exempted goods directly through customs to their Chinese partners or other overseas-funded businesses in the city without any interference from the government departments in charge of them.

And local foreign trade companies are no longer required to obtain permission from the government before they declare importation of goods to be sold within the city, except for those items under State import quota controls, those enjoying exemption or reduction of tariffs, and machinery and electronics products.

Meanwhile, to boost the development of the Shenzhen Bonded Production Materials Market, import plans of the market's bonded trading companies need not be approved by the government's Economic and Trade Development Bureau, as was required in the past. They can simply apply to the customs office for importation of goods within their business scope.

And procedures for local firms to purchase goods from the market have also been streamlined.

The market, set up a year ago, is the first of its kind and also the only one so far in the country. Thirteen State-owned bonded trading companies are selling tariff-exempted or tariff-reduced goods in the market to local firms.

"But business in the market has not been as good as expected," said Vice-mayor Li Guangzhen.

Shenzhen Set To Develop Into Another Hong Kong*OW0306094992 Beijing XINHUA in English
0918 GMT 03 Jun 92*

[Text] Beijing, June 3 (XINHUA)—The Shenzhen Special Economic Zone has been enthusiastic to develop into a city as prosperous as Hong Kong after Deng Xiaoping's inspection tour of the city earlier this year.

The Shenzhen local government has worked out a plan to achieve this in terms of the infrastructure, industrial structure and trade pattern.

In the last 10 years, 23 billion yuan has been invested in the city's infrastructure. This will be augmented by a further 80-100 billion yuan investment in the next decade.

The zone will try to facilitate high tech and tertiary industries, and speed up projects including the light railway and construction of a three-million-ton oil refinery.

Shenzhen is also planning to convert the existing special economic zone into a special tariff zone, and make Bao'an County a part of the special economic zone. This will enlarge the special economic zone from 327.5 square kilometers to 2,020 square kilometers.

The Shenzhen local government predicts that Shenzhen will be one of China's major foreign trade and financial centers with a population of three million by the turn of the century.

Hou Zongbin at Henan Science Association Congress*HK0306141392 Zhengzhou Henan People's Radio
Network in Mandarin 1015 GMT 31 May 92*

[Text] The three-day Fourth Henan Provincial Science and Technology Association Congress concluded in Zhengzhou yesterday. [passage indistinct]

Provincial party and government leaders, including [provincial party committee Secretary] Hou Zongbin, [provincial Governor] Li Changchun, Wu Jichuan, Yang Xizong, Yan Jimin, Li Ming, Yu Youxian, Wu Shaokui, Guo Peijun, Fan Lian, Hu Tingji, Fan Qingcheng, Zuo Mingsheng, Li Zhengqian, Wang Shouquan, and others, attended the congress on separate occasions. [passage indistinct]

On behalf of the provincial party committee and government, Wu Jichuan, provincial party committee deputy secretary, delivered a speech at the opening ceremony, in which he spoke highly of both achievements scored in and contributions made by the broad masses of scientific and technological workers across the province to the provincial four modernizations building and economic construction. [passage indistinct]

The congress deliberated and adopted a work report submitted by the Third Henan Provincial Science and Technology Association, discussed and amended the

Henan Provincial Scientific and Technological Work Regulations, and elected a Fourth Henan Provincial Science and Technology Association with Zhang Tao as its president. [passage indistinct]

Hubei Establishes More Enterprises Abroad

OW0406081592 Beijing XINHUA in English
0745 GMT 4 Jun 92

[Text] Wuhan, June 4 (XINHUA)—With the further implementation of the policy of opening to the outside world, central China's Hubei Province has been establishing more overseas ventures and promoting transnational business.

According to Zhang Zhiwen, head of the Hubei Commission for Foreign Economic Relations and Trade, the province has set up 18 enterprises in 11 countries and regions, including France, Germany, Japan, Indonesia, Mongolia, Saudi Arabia, and Hong Kong and Macao. The investment totals 19.45 million U.S. dollars.

He said that the province intends to set up enterprises in 22 more countries and regions, including Canada, Malaysia and Peru, this year.

The enterprises cover finance, commerce, processing of farm products, light industry, packaging and technical services.

The running of overseas ventures has also greatly encouraged exports of the province's equipment, materials, products and technology.

The Wuhan Yaxiong Information Company and the Wuhan Garment Import and Export Company have established overseas ventures in the United States and Mongolia, respectively. These overseas ventures provide much scientific and technological information for companies in the province and other places, and supply raw materials which are in short supply for the garments industry.

Southwest Region

Guizhou's Wang Chaowen on Hydropower Resources

HK0406074992 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 28 May 92

[Excerpts] Yesterday afternoon, the Guizhou Wu Jiang Hydropower Development Company, for which preparatory work has been going on for a long time, called the first meeting of its board of directors in Guiyang and declared formal establishment of the company, marking a brand new stage of Guizhou's efforts to tap local hydroelectric resources.

Wang Chaowen, governor; (Yao Jinyuan), vice minister of the State Planning Commission; Lu Youmei, vice energy resources minister; Liu Yulin, vice governor and chairman of the Guizhou Wu Jiang Hydropower Development Company board of directors; (He Renjin), vice

chairman of the provincial advisory committee; and other leaders came to the meeting to extend greetings and give speeches.

The Guizhou Wu Jiang Hydropower Development Corporation is China's first hydropower development company organized in accordance with [words indistinct] with the State Council's approval and with the Energy Resources Ministry's ratification and it is under the dual leadership of the provincial government and the Energy Resources Ministry. The company's main tasks are to tap water power resources of the Wu Jiang in the province and set up lateral associated economic enterprises related to tapping hydroelectric resources.

The company is co-funded by the central and local governments. [passage omitted]

In his speech, Governor Wang Chaowen said: The Wu Jiang Hydropower Development Company is the result of combining the reform policy with local natural resources under the situation of reform and opening up. Guizhou is rich in water power resources and enjoys excellent advantages in tapping natural resources. We must step up the tapping process and make Guizhou's electrical energy play a greater role in developing economies in Guizhou and neighboring provinces.

Guizhou Accelerates High-Tech Zone Construction

OW0406081192 Beijing XINHUA in English
0725 GMT 4 Jun 92

[Text] Guiyang, June 4 (XINHUA)—Southwest China's Guizhou Province recently accelerated the pace of construction at the Guiyang Xintian High-Tech Zone by drafting new preferential policies and improving the investment environment.

The Guiyang Xintian High-Tech Zone, which opened only one year ago, now has 36 high-tech enterprises which have produced output value at over 100 million yuan.

In a bid to attract more investment and accelerate construction, Guizhou Province recently drafted new preferential policies for taxation, income distribution, capital and land management, personnel policies and foreign investment.

The provincial government has also decided to allocate over one million yuan annually to fund a high technology development fund.

Activities of Sichuan's Zhang Haoruo Reported

Attends People's Congress Meeting

HK0206153192 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 27 May 92

[Excerpts] The 29th Session of the Seventh Sichuan Provincial People's Congress Standing Committee held its third plenary meeting yesterday.

The meeting was presided over by Wang Ao, provincial people's congress Standing Committee vice chairman.

The meeting conscientiously deliberated on and adopted a number of documents, including the Resolution on the 1991 Sichuan Provincial Final Financial Accounts. [passage omitted]

He Haoju, provincial people's congress Standing Committee chairman, delivered a speech in which he called for heightening vigilance and taking resolute measures against economic crimes, conscientiously implementing various provincial antipollution measures, and adopting a highly responsible attitude toward people's interests in this regard. [passage omitted]

Zhaxi Zering, Deng Zili, Bai Shangwu, Liu Xilin, Liu Haiquan, Song Dafan, Kang Zhenhuang, Liu Yuanxuan, and Rao Yongyu, provincial people's congress Standing Committee vice chairmen, attended the meeting.

Provincial Governor Zhang Haoruo; Ren Lingyun, provincial higher people's court president; and Zhao Xiyao, provincial people's procuratorate deputy chief procurator, attended the meeting as nonvoting delegates.

Liu Chunfu, provincial Chinese People's Political Consultative Conference committee vice chairman, attended the meeting as an invited guest.

Inspects Mianyang City, Tech Zone

HK0206153492 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 27 May 92

[Excerpts] Provincial Governor Zhang Haoruo inspected a number of enterprises in Mianyang City and the Mianyang High-Grade Precision Technology Development Zone 19 to 22 May. [passage omitted]

During his inspection, Zhang Haoruo listened to work reports by the Mianyang City CPC Committee and Government.

While inspecting the Mianyang High-Grade Precision Technology Development Zone, Zhang Haoruo emphatically stated: In order to develop a high-grade precision technology industry, we must first and foremost acquire advanced equipment, implement a principle of combining planning with market regulation with stress on market regulation, and institute special policies; second, we must aim high, strengthen existing market mechanism, and produce more competitive and readily marketable high-grade precision technological products; and third, we must quicken production pace and increase production efficiency.

Zhang Haoruo stressed: In order to develop a high-grade precision technology industry, it is imperative to implement a joint-stock system, raise funds through a variety of channels, and attract funds from both domestic regions and foreign countries and regions. [passage omitted]

Chongqing Joint Venture Factory Increases Exports

OW0306090892 Beijing XINHUA in English 0850 GMT 3 Jun 92

[Text] Chongqing, June 2 (XINHUA)—A small factory with only 146 employees in Chongqing city, Sichuan Province, has exported products to the United States, Southeast Asia and a number of European countries.

The joint venture factory named Jinyisi Company used technology and equipment provided by the U.S. partner to manufacture 35 types of gasoline engines.

In 1991, the factory earned over 2.83 million U.S. dollars, ranking it as the most productive joint venture in Chongqing city.

General Manager Li Rennian said the factory has been awarded a high quality certification by the American partner.

He said the factory plans to manufacture over 14,000 engines during 1992.

Sichuan Takes Measures To Reduce Meetings

OW0406074392 Beijing XINHUA in English 0706 GMT 4 Jun 92

[Text] Chengdu, June 4 (XINHUA)—Southwest China's Sichuan Province recently instituted measures to reduce the number of meetings.

The provincial government has decided that no funding will be allocated to unauthorized meetings.

In addition, the administrative funds will be cut from units which hold unapproved meetings.

The new measures also stipulate that leaders who hold unapproved meetings will be subjected to disciplinary action.

XINHUA has learned that the province spent over eight million on meetings held by departments and bureaus of the provincial government and departments of the provincial party committees in 1991.

A government official said that without measures to check the trend the amount of funding would have risen even higher this year.

However, some officials hold differing opinions concerning the measures, and are worried that administrative efficiency will fall.

The provincial government and provincial party committee countered by saying that instructions and work assignments can be disseminated by telephone and radio and television broadcasts, as well by various other methods.

The provincial government will also attempt to hold joint meetings as part of the effort to reduce the overall number of meetings.

Sichuan Expects To Equal Record Grain Harvest

OW0406080092 Beijing XINHUA in English
0646 GMT 4 Jun 92

[Text] Chengdu, June 4 (XINHUA)—The grain harvest of Sichuan Province this summer is expected to reach 9.5 million tons—equal to last year's record.

According to an official in charge of the province's agriculture, the harvest would have been even better but 100 counties were swept by snow, hail, strong winds and heavy rain.

The official said the province enlarged sowing area by 18,000 hectares last winter. The 100 million tons of grains produced from the new land offset the losses caused by the bad weather.

He said good-quality seed and agricultural technology was another major factor in equalling the record.

Tibet Promotes Border Trade With Nepal, India

OW0206062892 Beijing Central People's Radio
Network in Mandarin 2230 GMT 1 Jun 92

[By station reporter (Solang Dagyal) and Tibet station reporter Ren Youming; from the "News and Press Review" program]

[Text] Situated on the southwestern frontier and bordering Nepal, India and other countries, the Tibet Autonomous Region has taken advantage of its favorable geographical conditions to use the border markets as a window for opening up to the outside world and enthusiastically developing border trade with neighboring countries at different levels and localities in an effort to promote economic development in local ethnic minority areas.

Since the beginning of the year, Tibet Autonomous Region, with a view to bringing about prosperous border trade, has made significant adjustments to the product mix of export commodities to enrich the varieties of exports by adding to livestock products—the only export available previously—fast moving consumer goods, hardware, vehicles, and electrical appliances.

Its border trade volume in the first quarter topped \$788,000, up 21 percent over the same period last year.

The development of border trade helped Tibet break through the trammels that had created the closed economy of the past and evolve a local economic structure characterized by an integration of crop-farming, animal husbandry and processing, as well as the comprehensive development of trade, industry and agriculture.

Northeast Region

Heilongjiang Plans Microwave Communications Lines

SK0106115192 Harbin HEILONGJIANG RIBAO
in Chinese 1 Apr 92 p 1

[Summary] Construction of four large digital microwave communications lines in the north and northwest parts of the province, key projects of the province, is in full swing. To relieve the long-standing shortage of communications facilities in the north and northwest parts of the province, in 1989 the province decided to build four large digital microwave communications lines: the Harbin-Heihe, the Harbin-Jagdaqi, the Harbin-Jiamusi, and the Qiqihar-Beian lines. With a total length of 1,500 km, these four lines will go through 22 prefectures, cities, and counties, and 47 microwave stations should be built. Construction of all four lines will be completed in June this year. Upon completion, the shortage of long-distance communications facilities in the north and northwest parts of the province will be alleviated.

Jilin's He Zhukang Meets Thai Delegation

SK0106130992 Changchun JILIN RIBAO in Chinese
26 Mar 92 p 1

[Excerpt] On the evening of 25 March, at Nanhu Guesthouse in Changchun, He Zhukang, secretary of the provincial party committee, and Liu Xilin, vice governor of the province, met with Mr. (Li Shaozhu), executive vice president of the Thailand's Chia Tai Group and president of the (Yichu) Industrial Group Company, and his entourage.

He Zhukang warmly welcomed the old friends of Thailand for their visit to the province again and briefed them on the province's situation in reform and opening over recent years; on the achievements scored in industry, agriculture, and science and technology; and on the magnificent plans for the future economic development. He Zhukang said: Jilin Province attaches great importance to the friendly cooperative relations with Thailand's Chia Tai Group; hopes to further expand the scale of cooperation with the Chia Tai Group on the existing good foundation; and is satisfied with the construction, management, and development of the Jilin Chia Tai Company and the Jilin Deda Company. This visit by the Chia Tai Group delegation is aimed at expanding cooperation between the Chia Tai Group and Jilin Province in production of car accessories, motorcycles, chemical industrial products, and medicines. [passage omitted]

Liaoning Holds Trade Talks at Hong Kong Fair

SK0206013492 Shenyang LIAONING RIBAO
in Chinese 28 Mar 92 p 1

[Summary] Liaoning Province held talks on economic and technical cooperation with foreign countries at the trade fair featuring commodities turned out by provincial foreign-funded enterprises, which was held in Hong

Kong from 17 to 24 March. During the talks and trade fair, the province signed 250 contracts with foreign firms totaling \$504 million. Of these, 105 contracts utilizing outside funds were signed for a total of \$349.283 million. Also signed were 110 contracts on exporting the commodities turned out by the three-capital enterprises worth \$92,471,900; 31 contracts on importing or exporting technologies, \$56.63 million; four contracts on cooperative projects in places outside the country, \$5,861,600; and 102 agreements on utilizing outside funds, \$415 million.

Urban Demonstration Center Set Up in Liaoning

OW3105143692 Beijing XINHUA in English
1428 GMT 31 May 92

[Text] Dalian, May 31 (XINHUA)—China's first demonstration center for urban residential environment has been set up recently in Dalian, a coastal city in northeast China's Liaoning Province.

The center covers an area of 101,500 square meters, with 52 buildings and 780 families.

So far, the surface of the area of the center has all been covered by buildings, highways and greenery, and the land covered by greenery accounts for 98.4 percent of the total area of the center. On average, per capita area of greenery in the center amounts to 17.8 square meters. Residents in the center can enjoy greenery all the year round and flowers during the three warm seasons.

High attention has been paid to the quality control of the environment in the center, inside of which everything is clean and tidy and absolutely no garbage can be seen.

Experts say the experience of the center is beneficial to updating comprehensively the environmental management of residential centers in many other cities.

Northwest Region

Gansu's Jia Zhijie Inspects Venture With Taiwan

HK0306093392 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 28 May 92

[Text] Governor Jia Zhijie has been very much concerned about the difficulties encountered by some Taiwan businessmen who have failed to obtain the necessary registration documents after making investments in Tianshui city for more than a year. The incident was brought to light by this station in its report series broadcast 6-8 May.

With regard to the incident, Jia Zhijie emphatically pointed out that the news media can indeed play an important supervisory role.

While inspecting the Tianshui Asia Timber Company Ltd., a mainland-Taiwan joint venture, Jia Zhijie wrote an instruction on a report submitted by the Tianshui authorities, saying: Tianshui should learn from this

incident, avoid similar incidents in future, and transform the work style. However, should the provincial departments concerned make no attempt to change their practices and continue to stick to their old ways, similar incidents would occur.

Jia Zhijie also ordered the provincial departments concerned to conscientiously examine their work and work out corresponding measures to improve their work. He stated: Only by combining the efforts of both higher and lower levels will we be able to draw inferences about other cases from one instance and prevent similar incidents from occurring in the future.

Gansu To Host Nation's 1st Silk Road Festival

HK0106111192 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 25 May 92

[Excerpts] Yesterday afternoon, China's First Silk Road Festival Organization Committee held a mobilization rally in the Lanzhou Gymnasium to call on the people of the whole province and Lanzhou City to make active efforts to guarantee high-standard, high-quality, and highly efficient preparatory work for China's First Silk Road Festival.

Yesterday's rally was presided over by Li Bulin, provincial party committee standing committee member and Lanzhou City CPC Committee secretary.

Ke Maosheng, China's First Silk Road Festival Organization Committee chairman and Lanzhou City mayor, made a mobilization report at the rally. [passage omitted]

Zhang Wule, provincial party committee standing committee member and provincial vice governor, also delivered a speech at the rally, in which he said: Successfully holding China's First Silk Road Festival is of great importance and significance to enhancing exchanges between Gansu and the world and promoting Gansu's economic development. [passage omitted]

Yesterday's rally was attended by a number of provincial leaders, including Li Ziqi, Xu Feiqing, Lu Kejian, Qin Shiwei, and others.

Remarks, Activities of Yin Kesheng Noted

Urges Improving Traffic Safety

HK0406080392 Xining Qinghai People's Radio
Network in Mandarin 2300 GMT 28 May 92

[Text] Provincial party committee Secretary Yin Kesheng recently gave instructions on Xining city's efforts to improve traffic safety. He expressed the hope that Xining will continue to work hard to make the job a success.

In his instructions, Yin Kesheng said: The Xining area has made great achievements in improving traffic order. The traffic order has markedly turned for the better. The

work enjoyed support from and was praised by the people. The work in the previous stage should be conscientiously appraised and fully reaffirmed, and the good momentum and achievements must be solidified. We must resolutely [words indistinct] and prevent the campaign being like a gust of wind.

Yin Kesheng continued: To improve traffic control in urban areas it is necessary to [words indistinct] at the beginning. However, we must formulate a set of regulations to ensure effective traffic control and also a feasible mechanism which will mobilize the people to help maintain road safety and deal with those who violate traffic regulations. Party committees, governments, and departments in charge of public security and transportation at all levels must enhance their sense of responsibility, [words indistinct], and work to improve traffic order to serve the masses well.

In his instructions, Yin Kesheng also said: Xining is small in size. As long as we do our work well and arouse the masses to action, the traffic order will certainly be improved, as will public security and hygiene in urban areas. We should be confident and be determined to build Xining into a culturally civilized city with characteristics of a highland.

On Oil Exploration Modernization

HK0406062492 Xining Qinghai People's Radio
Network in Mandarin 2300 GMT 28 May 92

[Excerpts] A meeting on the exploitation of Chaidamu's oil and natural gas through the application of science and technology ended yesterday. [passage omitted]

Provincial CPC Committee Secretary Yin Kesheng said toward the close of the meeting that Qinghai is rich in natural resources and that these rich natural resources provide the most favorable conditions for developing Qinghai's economy and also provide a vast field for scientific and technological personnel to use their talents. This meeting gave expression to the guiding principle that economic construction must rely upon science and technology and the latter must be geared to the former. Qinghai's scientific and technological personnel can make achievements only when they gear their work to production and serve economic construction.

When talking about Qinghai's petroleum industry, Comrade Yin Kesheng said: The Chaidamu Oilfield is now in its prime as compared with any period over the last 40 years and has laid a sound foundation for further development. I hope the large numbers of oil workers and their family members will continue to display the style of plain living and hard struggle, deepen reform, evaluate their experience, and constantly make progress to elevate our exploitation of oil and natural gas to a new level.

Deputy Secretary Sang Jiejia also made a speech at the meeting.

At Democratic League Congress

HK0406080192 Xining Qinghai People's Radio
Network in Mandarin 2300 GMT 29 May 92

[Excerpts] The China Democratic League Qinghai branch held its ninth congress in Xining this morning.

Leading comrades from the provincial party committee, provincial government, and provincial Chinese People's Political Consultative Conference Yin Kesheng [provincial party committee secretary], Tian Chengping, Jin Jipeng [governor], Sang Jiejia, Doba, and others attended. [passage omitted]

The conference will evaluate the China Democratic League Qinghai branch's work over the last four years; define, after discussions, future tasks; elect the branch's ninth committee; and elect deputies to the China Democratic League seventh national congress.

Sang Jiejia, deputy secretary of the provincial party committee, gave a speech at the opening ceremony.

He said: The China Democratic League Qinghai branch, since it was founded 40 years ago, has resolutely adhered to the League's political line of subjecting itself to CPC leadership and serving socialism and played an important role in socialist revolution and construction. Since reform and opening up policies were instituted, the China Democratic League Qinghai provincial committee, together with all its members, has adhered to the CPC's line, energetically joined in discussing and implementing state and local general principles and policies, brought its own advantage into play by giving courses to the public, [words indistinct], taken part in activities to support poor areas through application of science and technology, and made great efforts to promote reforms of the management systems for science and technology and education, making important contributions to Qinghai's economic and social development.

On behalf of the provincial party committee, Sang Jiejia extended heartfelt thanks to all branch members. He continued: The program passed by the fifth session of the seventh provincial people's congress attached great strategic importance to science and technology and education and made it our basic guiding principle to revitalize Qinghai through the application of science and technology and the promotion of education. The local China Democratic League branch boasts many outstanding cultural workers and educational figures. The branch should give full play to its advantage and arouse its members' enthusiasm so that they will suggest ways and means for Qinghai's economic construction and social progress and will make fresh contributions to the development of Qinghai's culture, education, and undertakings in other fields. [passage omitted]

Qinghai Decides on Resource Exploitation Policy

HK0106074492 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 24 May 92

[Excerpts] On 23 May, the provincial correspondents association held a news briefing on a policy decision made jointly by the Qinghai Provincial CPC Committee and the Qinghai provincial people's government on 20 May on further accelerating reform and opening up and pushing ahead with resources exploitation.

The policy decision contains three parts and 22 articles.

The decision pointed out: Qinghai is now in a crucial period of reform and development. The key to grasping excellent opportunities for further development lies in faster economic construction. The hope of Qinghai's economic rejuvenation lies in wasting no time to grasp each and every opportunity to quicken the pace of local resources exploitation. To this end, party committees, governments, and departments in charge at all levels across the province must further emancipate minds; transform concepts; make full, good, and flexible use of various favorable policies and flexible measures granted by the central authorities to the ethnic minority areas; make redoubled efforts to overcome rigid thinking; ward off interference from the left; make painstaking efforts to remove various ideological barriers; and concentrate on and appoint full-time personnel to take charge of local resources exploitation work.

The decision stated: The planning, industrial, commercial, financial, taxation, and discipline inspection departments, and courts, as well as organization and personnel departments, must attempt to simplify procedures for plan examination and approval, registration, financial aid provision, and other types of work; correctly handle problems cropping up in the course of reform, opening up, and resources exploitation by seeking truth from facts; and provide organizational, public opinion, and legal guarantees for resources exploitation work. [passage omitted]

The decision noted: In the course of resources exploitation, it is necessary to make active efforts to develop lateral associations to attract more funds and qualified personnel to Qinghai. Various autonomous prefectures, prefectures, and cities, as well as Gernu and Minhe Counties, have now been authorized to examine and approve development projects with sole foreign investment and with both Chinese and foreign investment as well as development projects managed jointly by foreign and Chinese entrepreneurs, each of which involves a total investment of less than 10 million yuan. [passage omitted]

Shaanxi's Bai Qingcai at Rally Marking Mao

HK3005012292 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 22 May 92

[Excerpt] Yesterday afternoon, the Shaanxi provincial and Xian City authorities held a rally in Xian's People's

Theater to solemnly commemorate the 50th anniversary of the publication of a speech made by the late Comrade Mao Zedong at the Yanan Forum on Literature and Art.

Yesterday's rally was attended by principal provincial and Xian City leaders, including [provincial Governor] Bai Qingcai, Li Xipu, Li Huanzheng, Xu Shanlin, Zhu Tianyi, Yan Huanwu, and others, as well as a number of well-known personalities, model workers, and advanced elements in literary and art circles, and some representatives of scientific and technological workers.

Cheng Andong, secretary of the Xian City party committee, presided over the rally.

An Qiyuan, provincial party committee deputy secretary, delivered a speech at the rally, in which he expressed the hope that the broad masses of literature and art workers across the province will continually study Marxist literature and art theories and the literature and art thought of the late Comrade Mao Zedong, enhance understanding, emancipate the mind, push ahead with literature and art reform and innovation, more actively and consciously go deep into the realities of life and throw themselves into reform and opening up, which represent a powerful current of the times, persistently stick to the orientation of serving the people and socialism, continually implement the principle of letting a hundred flowers blossom and a hundred schools of thought contend, and strive to promote the greater prosperity of Shaanxi's literature and art cause. [passage omitted]

Xinjiang Commentator on Implementing Autonomy Law

OW3005115692 Urumqi XINJIANG RIBAO in Chinese 14 May 92 p 1

[Article by unnamed "commentator": "Fully Implement the Law on Regional Nationality Autonomy"]

[Text] Following the meeting of the central authorities on nationality work, the State Council also recently issued a circular on various issues on further implementing the "Law on Regional Nationality Autonomy of the People's Republic of China." The circular put forward 11-point measures on economic and social development of minority nationality regions. This is another major measure adopted by the party and state for deepened implementation of the autonomy law to accelerate the economic and social development of minority nationality regions.

Xinjiang is a multinational autonomous region with the Uygur nationality forming the major population. The concern of the central authorities on nationality autonomous regions have given the region an extremely good opportunity. An important task of our region's leadership at all levels and all nationalities is to earnestly study and implement guidelines of the "circular," to uphold and perfect the regional nationality autonomy system, to fully implement the autonomy law, and to strongly promote the region's socialist construction and the nationalities' common prosperity.

In recent years, to further perfect the regional nationality autonomy system, the regional party committee and people's government have fully implemented the autonomy law, developed a sound legal system and supervisory mechanism supplementary to the autonomy law, and have successively adopted a series of measures in important aspects such as development of pastoral areas, work aiding the poor, nationality trade and production and supply of goods especially needed by nationalities, usage and development of nationality languages and writing, and religious affairs management. This has played an important role in improving the relationship among nationalities, in strengthening nationality unity, and in promoting nationality development and progress. A very important current task is that all relevant departments and people's government of the region at all levels must, in accordance with the stipulations of the autonomy law and guidelines of the State Council's relevant circular, develop and implement a sound legal system and supervisory mechanism supplementary to the autonomy law by combining actual conditions of local departments and regions. They should ensure that all articles of the autonomy law are implemented.

Strongly developing the economy and continuously upgrading the material civilization and living standards of all nationalities is a key issue in doing nationality work effectively and in enhancing nationality unity in the new historical era. We must emancipate our minds, do practical work, and make full use of the legal rights and preferential policies given by the state to nationality autonomous regions. We must work hard to make full and effective use of the relevant articles of the autonomy law and stipulations of the circular. We must put try to adopt effective measures to attract and support wealthy regions for developing resources and establishing enterprises in our region. We must actively develop foreign trade and economic and technological cooperation. We must promote the region's social economic development and the prosperity and progress of all its nationalities. We must raise the undertaking in nationality unity and progress to a new stage.

To fully implement the autonomy law, we must correctly address the relationship between development of the state resources and the promotion of economic development of regions and minority nationalities. In the past, the state and region have set up a group of energy and communications infrastructures, many categories of industrial and mining enterprises, and other industries. This has played a very great role in changing our region's outlook and in promoting the development of the minority nationalities' affairs. From now on, we must also plan to help localities in developing industries, communications facilities, enterprises, and supply bases for agricultural and sideline products. We must also adopt measures to ensure that the number of cadres and workers of minority nationalities form a definite ratio in enterprises' employees so they can enjoy economic benefits in the development of local resources.

The crux of perfecting the regional national autonomy system and fully implementing the autonomy law lies in vigorous training of cadres of minority nationalities and in strengthening the building of a contingent of cadres. The number of cadres of minority nationalities in the autonomous region has now increased to over 250,000, forming a mammoth team of qualified personnel in various aspects such as party affairs, political affairs, economics, education, science and technology, culture, and health. From now on, party committees at all levels must, in accordance with the arrangement of the party Central Committee, further strengthen the training of cadres of minority nationalities with greater efforts, particularly high- and medium-ranking cadres, as well as various qualified personnel in science and technology and management. Not only should we plan to expand their numbers; we should work even harder to upgrade their quality and improve their organization. Not only should we select a group of cadres from minority nationalities who can play key roles in the 1990's; we should pay more attention to selecting a group of outstanding middle-aged and young cadres who will work into the next century. This is to ensure that leadership at all levels will be firmly controlled in the hands of people loyal to Marxism and that the undertaking of nationality unity and progress will advance continuously.

U.S. Copyright Protection Investigation Assailed

OW0406103692 Taipei Voice of Free China in English
0200 GMT 3 Jun 92

[From the "News and Commentary" program]

[Text] The U.S. has decided to further pressure the ROC [Republic of China] into signing a Sino-U.S. copyright agreement. On Tuesday the U.S. began a six-month investigation in the copyright protection practices on Taiwan.

Lawmakers in the Legislative Yuan blasted the American side, saying that the ROC's legislature will not be a lawmaking body according to American wishes. Lawmaker (Lin Shih-chia), who was responsible for the negotiations regarding the passage of the Copyright Law here, said that while the law was passed later than originally expected, the American side should understand that the passage of the legislation was a major step forward. He said that excess pressure by the U.S. side makes people here feel that they don't have an independent say in matters, and that the U.S. side shouldn't unnecessarily hurt feelings between the two sides.

Prime Minister Hao Meets Hong Kong Trade Group

OW0306082592 Taipei CNA in English 0754 GMT
3 Jun 92

[Text] Taipei, June 3 (CNA)—Premier Hao Po-tsun expressed his hope Tuesday that Hong Kong entrepreneurs will closely cooperate with their counterparts in Taiwan to make inroads into the vast world market.

The premier made the remarks when receiving Cheng Ming-hsun, leader of a delegation from the General Chamber of Commerce of Hong Kong, and his 24-member group.

It would be in the interests of businessmen in Taiwan and Hong Kong, Hao pointed out, if the two sides could meet regularly to work out concrete cooperation measures.

He also heard the visiting guests' comments on the economic situation in mainland China.

Investors are frustrated by the inconsistency and ambiguity of mainland Chinese laws and regulations, the premier noted. He therefore recommended that entrepreneurs of Taiwan and Hong Kong who have made investments in mainland China set up fraternity organizations to help each other.

During the meeting, the visitors urged the government to further open the domestic market to Hong Kong products.

The guests from the British crown colony were accompanied during the meeting by Hsu Sheng-fa, chairman of the Chinese National Federation of Industries.

Navy Flotilla To Make South African Visit

OW0206155192 Taipei CNA in English 1505 GMT
2 Jun 92

[Text] Johannesburg, June 1 (CNA)—A Republic of China (ROC) navy flotilla is making a 17-day friendly visit to South Africa.

Under the command of Rear Admiral Jhe Li, the flotilla of a logistic supply ship and two guided missile destroyers arrived at Simonstown, a South African naval base about 60 km south of Cape Town, Saturday to kick off the visit.

Aboard the three ships are more than 1,100 officers and men. They were greeted at the harbor by Mayor of Simonstown C. Sanderoff, ROC Ambassador to South Africa I-cheng Lu, and Simonstown Naval Base Commander Commodore De Vos.

South African Navy Chief Vice Admiral C. J. Woodbucne hosted a buffet luncheon in honor of Rear Admiral Li, Ambassador Lu, and captains and senior officers of the squadron.

The flotilla will also call at Cape Town, Port Elizabeth and Durban during June 3-14. The honor guard, naval band, drum and bugle corps and taekwondo team will display in those cities.

It will leave South Africa for home on June 15. This is the fourth time such a naval flotilla from the Republic of China has visited South Africa since 1981.

South China Sea Infrastructure Task Force Set

OW0406084492 Taipei CNA in English 0749 GMT
4 Jun 92

[Text] Taipei, June 4 (CNA)—The Ministry of the Interior will establish a South China Sea Task Force for safeguarding national interest in the area.

The task force will plan infrastructure constructions on the Tungsha (Pratas) Islands and the Taiping islet of the Nansha (Spratly) Islands, ministry officials said.

The group will also study the feasibility of jointly developing South China Sea islands with mainland China.

The task force, to be headed by Interior Minister Wu Po-hsiung, will begin to work after receiving the Executive Yuan's approval.

The officials said that the main purpose of the task force is to peacefully explore and manage the resources in this area in order to safeguard the Republic of China's national interest.

Initial projects may include building wharfs and runways and installing telephones on the Taiping Islet and Tungsha (Pratas) Islands, the officials reported.

Mainland 'Ill Intentions' Condemned at Rio Summit
*OW0406084392 Taipei CNA in English 0741 GMT
4 Jun 92*

[Text] Rio de Janeiro, June 3 (CNA)—The Taiwan delegation to the earth summit denounced Peking Thursday for obstructing Taiwan's attempts to join in international environmental protection efforts.

The delegation, led by Deputy Director General Chen Lung-chi of the Environmental Protection Administration, said it will hold a press conference on June 8 to bare Communist China's ill intentions toward Taiwan.

Taipei's bids to sign international conventions for environmental protection have been undermined by Communist China, the delegates pointed out.

In the press conference, they will call on the world community to stop Peking from impeding Taipei's efforts to play a positive role in promoting environmental protection in the world.

Hong Kong

'Special Article' on Basic Law, UK Stance

HK0106121292 Hong Kong TA KUNG PAO in Chinese
 1 Jun 92 p 12

["Special article" by Hua Ke (5478 2047): "We Want Political Sincerity, Not Political Tricks"]

[Text] In the House of Lords on 6 May, during the opening of the new parliamentary session and following Britain's general election, Queen Elizabeth II read the outline of John Major's administrative program. Speaking on the issue of Hong Kong, she said: "Proceeding from the interests of the people of Hong Kong, my government will continue to justly and effectively rule Hong Kong and to cooperate with China and promote the political and economic development of Hong Kong on the basis of the Sino-British Joint Declaration." Since then, the queen's remarks have been repeated by many senior British Government officials. People expect, with good reason, that these promises by the British Government can be practically reflected in its concrete policies because this is good for Hong Kong and also for Britain.

The remarks by British Foreign Office Minister Goodlad during his recent visit to Hong Kong, calling on China to amend the Basic Law, are quite distanced from the British position announced above. People of all strata in Hong Kong have expressed obvious opposition to and dissatisfaction with Goodlad's irresponsible and unconstructive remarks. Some have even called them "wishful thinking."

Some newspaper commentaries raised this question: It is only six weeks since Goodlad assumed office. Not an expert in Hong Kong affairs, Goodlad's visit to Hong Kong served the role of a "London pioneer" and was meant to pave the way for the new Hong Kong governor. If one associates Goodlad's remarks with the unusual deeds of some high-ranking British officials, one cannot but be worried about the policy to be pursued by the British Government for Hong Kong during the next five years.

Everyone saw on television that at one time during Martin Lee Chu-ming's recent activities in London, Prime Minister John Major saw him to the door after meeting with him and let him pose freely before photographer's cameras. Martin Lee was also personally received by the foreign secretary and the new governor. Encouraged by such a "courteous reception," Martin Lee wantonly criticized the current Hong Kong Governor David Wilson for the "disastrous blows" to the development of Hong Kong's democracy during his five years in office. He also alleged that by doing this, David Wilson had the approval and support of the Executive Council, high-ranking British officials, Percy Cradock, the prime minister's adviser, and others. This was the first time he had criticized so many people. Martin Lee also called on the new governor to dissolve the Executive Council and appoint new members, as other countries dissolve their

parliaments when new leaders assume office. He demanded that more than half the members of the Executive Council be directly elected. Various Hong Kong media, and even some Legislative Council [Legco] members, have censored him for his wayward remarks. However, we do not see any criticisms by high-ranking British officials. On the contrary, as Martin Lee said, some high-ranking British officials have showed understanding of his opinion and have reiterated the determination of stepping up Hong Kong's democracy as mentioned by the British Government to the Chinese Government.

Martin Lee was not so courteously received and frankly supported during his former visits to London and he complained for this reason. Nevertheless, it is not difficult for people to see why high-ranking British officials treated him so well this time.

What sort of person is Martin Lee? Some high-ranking British officials fully understand that on 5 June 1989, Martin Lee, vice chairman of the Alliance in Support of the Patriotic and Democratic Movement in China, made a "Solemn Statement," calling on peoples around the world to "ask their governments not to recognize the legitimacy of the regime of Deng, Li, and Yang," and for "countries around the world and the United Nations to pass proposals to censor the regime and to come up with sanction methods." He also called on the People's Liberation Army to turn against the Chinese Government. In an interview with the ASIAN WALL STREET JOURNAL in early December 1989, Martin said he could not accept the present mainland regime. On 21 September 1991, interviewed by REUTERS, Martin Lee said he expected a civil war in China. Martin Lee is hostile to the Basic Law. At a rally on 18 February 1990, Martin Lee and Szeto Wah held up a torch and set fire to a large piece of cardboard symbolizing the Basic Law at the gates of the XINHUA Hong Kong Branch.

Martin Lee takes a disapproving stance on the Sino-British Joint Declaration. At a public hearing held by the U.S. House of Representatives Human Rights Committee on 23 April 1989, Martin Lee said: "That Britain is to return 5.5 million Hong Kong people to China is like returning the 5.5 million Jews to Nazi Germany during the Second World War." On 5 July 1989, Martin Lee said: "We must not assume the 'Joint Declaration' is as inviolable as the Bible. Britain and China should restart talks to reach a better agreement for Hong Kong than the declaration decided in 1984."

Martin Lee disregards the interest of Hong Kong residents. On the matter of extending most favored nation status, the fact that Martin Lee supported the United States sanctioning China could have brought immediate harm to the interest of Hong Kong. On the issue of Vietnamese boat people, Martin Lee disagrees with their repatriation. He requested that the port of first asylum policy be maintained and this would force the people of Hong Kong to continually suffer enormous pressures from all sides. On the question of finance, closing his

eyes to the fate of Hong Kong people after 1997, Martin Lee favored spending all the financial reserves and leaving not one dollar for the Special Administrative Region government. Martin Lee also proposed postponing construction of the new airport and was opposed to the agreement on the construction of the new airport reached between China and Britain.

Despite his stand in opposition to everything by the Chinese Government, to the Sino-British Joint Declaration, and to the Basic Law, and his disregard for the fundamental interests of Hong Kong people, Martin Lee is considered a guest of honor by the British Government. Some people have even spread the rumor about reshuffling the Hong Kong Executive Council and including Martin Lee in it. In addition, some people are vigorously advocating the need to change the relations between the Executive Council and the Legislative Council and are continuously promoting the change from an Executive-led government to a legislature-led

one. Calling this stepping up the pace of democracy, they are attempting to play the "democracy card" once again and thus have caused an unnecessary dispute in Hong Kong.

In view of all this, it is not absolutely groundless for people to worry about what sort of policy Britain will pursue for Hong Kong over the next five years. People, of course, always hope that the British side will do what it has said, demonstrate the continuity of its policy, continue to maintain the friendly cooperation between China and Britain, and thus ensure the prosperity and stability of Hong Kong during the transition period and the smooth transition in 1997. This is greatly beneficial whether to Hong Kong residents or to China and Britain. They do not wish to see these kind of interests harmed. Therefore, we hope that the parties concerned will demonstrate their political sincerity and will not resort to political maneuvers.

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